

Elmer A. Weden, Jr. Francis W. Westneat
Maurice B. Wehr Stanley E. Willis II
Charles W. Werner

The following-named officers to the grades indicated in the Medical Corps of the Navy:

CAPTAIN

Raymond J. Mansfield

LIEUTENANT

Emmett P. Bryant

LIEUTENANTS (JUNIOR GRADE)

Edward J. Carry

Philip O. Geib

The following-named officers to the grades indicated in the Dental Corps of the Navy:

LIEUTENANT COMMANDERS

Byrnes E. Missman

Stephen A. Grady

LIEUTENANTS

Frank L. Davis Joseph S. Hurka
Eymard LeR. Doyle Arthur H. Pearson
Walter G. Hillis George A. Pfaffmann

The following-named officers to the grade indicated in the Medical Service Corps of the Navy:

LIEUTENANTS

Kenneth E. Bechtloff

Stanley W. Handford

The following-named officers to the grade indicated in the Nurse Corps of the Navy:

LIEUTENANTS (JUNIOR GRADE)

Muriel R. Cavey

Rose M. Martinsek

The following-named officers to the grade of lieutenant commander in the line of the Navy, limited duty only, in lieu of lieutenant in the line of the Navy, limited duty only, as previously nominated and confirmed:

Garland Casey Mathis S. Johnson
Harold J. Gilpin Carl H. Wehr

The following-named officers to the grade of lieutenant in the line of the Navy, limited duty only, in lieu of lieutenant (junior grade) in the line of the Navy, limited duty only, as previously nominated and confirmed:

Fred W. Berry John R. Hatcher
Leo R. Brown Francis E. Law
John J. Butlak William J. Miller
Lloyd O. Butts Carl W. Minnleair
William J. Egan Claude E. Riley
Frank D. Gallagher Milton M. Routzahn

The following-named officers to the grade of lieutenant (junior grade) in the line of the Navy, limited duty only, in lieu of ensign in the line of the Navy, limited duty only, as previously nominated and confirmed:

Kenneth Brown Donald B. McOmie
James V. Carney Donald M. Murdoch
Theodore F. Drag Marler W. Owen
John P. Dutton Flynn J. Pulliam
Norman Huffnagle Herbert E. Reynolds
Willard M. Iverson Edmund L. Wells
Gordon E. Kaufman Hall B. Wessinger

Charles F. Pape to be an ensign in the line of the Navy, limited duty only, in lieu of lieutenant (junior grade) in the line of the Navy, limited duty only, as previously nominated and confirmed.

James A. Gardiner to be a lieutenant commander in the Supply Corps of the Navy, limited duty only, in lieu of lieutenant in the Supply Corps of the Navy, limited duty only, as previously nominated and confirmed.

The following-named officers to the grade of lieutenant (junior grade) in the Supply Corps of the Navy, limited duty only, in lieu of ensign in the Supply Corps of the Navy, limited duty only, as previously nominated and confirmed:

Byron F. McElhannon James F. Simpson
Richard B. Page Byron Uskevich
Albert K. Pavelka

Claude D. Masters to be a lieutenant commander in the Civil Engineer Corps of the Navy, limited duty only, in lieu of lieutenant in the Civil Engineer Corps of the Navy, limited duty only, as previously nominated and confirmed.

Jack J. Jones to be a lieutenant in the Civil Engineer Corps of the Navy, limited duty only, in lieu of lieutenant (junior grade) in the Civil Engineer Corps of the Navy, limited duty only, as previously nominated and confirmed.

Charles M. Gasset to be a lieutenant (junior grade) in the Civil Engineer Corps of the Navy, limited duty only, in lieu of ensign in the Civil Engineer Corps of the Navy, limited duty only, as previously nominated and confirmed.

The following-named officers for permanent appointment in the Supply Corps of the Navy in grades hereinafter stated:

LIEUTENANTS (JUNIOR GRADE)

Bower, Charles J., Jr.

Mize, Harlie L.

ENSIGN

Altieri, Mickelangelo

The following-named officer for permanent appointment in the Civil Engineer Corps of the Navy in the grade hereinafter stated:

ENSIGN

Benton, Joseph H.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 28 (legislative day of June 2), 1949:

UNITED STATES PUBLIC HEALTH SERVICE
APPOINTMENTS AND PROMOTIONS IN THE REGULAR CORPS OF THE PUBLIC HEALTH SERVICE

To be surgeon (equivalent to the Army rank of major), effective date of acceptance

Paul A. Lindquist

To be senior assistant dietitians (equivalent to the Army rank of captain), effective date of acceptance

Frances M. Croker Arlene M. Luthi

Marion E. Nichols Annette L. Buza

Clara B. Tavis

Junior assistant dietitians (equivalent to the Army rank of second lieutenant), effective date of acceptance

Gwendolyn E. Dupree Letitia W. Warnock

Lillian Krikorian Rhoda E. Fallin Marshall

Patricia M. Waring

Katherine A. Seubert Joan Wentworth

To be nurse officers (equivalent to the Army rank of major)

L. Dorothy Carroll Ruth L. Johnson

Clarice M. Russell Zella Bryant

Margaret J. Nichols Esther A. Garrison

Lillian A. Gardiner M. Constance Long

Martha B. Naylor Elsie T. Berdan

Evelyn E. Johnson Louise O. Waagen

Frances E. Taylor Ella Mae Hott

Prudence J. Kowalske Catherine L. Mahoney

Grace I. Larsen Daphne D. Doster

Fern M. Dunn Josephine I. O'Connor

Agnes B. Bowe L. Margaret McLaughlin

Margaret F. Knapp Edna A. Clark

Esther M. Finley Frances S. Buck

Mabelle J. Markee Anna M. Matter

Emily M. Smith Margaret Denham

Genevieve R. Soller Genevieve S. Jones

Amy E. Viglione Elisabeth H. Boeker

Alice E. Herzig Ruth I. Gillan

Ellwynne M. Vreeland Rosalie C. Giacomo

Madeline Pershing Lola M. Hansen

Mabel E. Emge

To be senior surgeon (equivalent to the Army rank of lieutenant colonel), effective date of acceptance

Thomas H. Smith

To be senior nurse officers (equivalent to the Army rank of lieutenant colonel)

Lucile Petry

Mary D. Forbes

Alice R. Fisher

Pearl McIver

Marion Ferguson

Rosalie I. Peterson

Mary E. Corcoran

Marie E. Wallace

Florence H. Callahan

Lily C. Hagerman

Hazel A. Shortal

Margaret K. Schafer

F. Ruth Kahl

To be senior assistant nurse officers (equivalent to the Army rank of captain), effective date of acceptance

G. Alice Boore

Catherine Bastress

Ella L. Muir

Genevieve E. Gaynor

Anne Poore

F. Jean Williams

Jeannette E. Potter

Mildred V. Riebel

Mary L. Casey

E. Loretta Anderson

Mary S. Romer

Florence E. McKerron

Jeanne C. Brooks

Florence E. Gareau

Tracy E. Forney

Ann F. Matthews

Mary E. Linkel

Harriette L. Paddleford

Anna V. Marcinko

Rosalie V. Flannery

Ayrol P. Decker

To be assistant nurse officers (equivalent to the Army rank of first lieutenant), effective date of acceptance

Doris I. Dodds

Olga E. Lassik

Virginia B. Schroeder

Virginia B. Millard

To be junior assistant nurse officer (equivalent to the Army rank of second lieutenant), effective date of acceptance

Amelia J. McFadden

To be senior assistant nurse officer (equivalent to the Army rank of captain)

Margaret M. Cahalan

Mildred K. McDermott

To be assistant nurse officers (equivalent to the Army rank of first lieutenant)

Anna B. Barnes

Ardyth M. Buchanan

UNITED STATES MARSHALS

Benjamin J. McKinney to be United States marshal for the district of Arizona.

Clifton C. Carter to be United States marshal for the southern district of Texas.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 28, 1949

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, we draw to Thee, not unto One who is an avenging God, but One who is as a high priest touched with a feeling of our infirmities. As we meet the challenges of this hour, enlarge our natures, and yet subject their tendencies; preserve our hearts, and yet destroy their selfishness; control our wills, and yet sustain their courage. Animated by Thy wonderful providence, may we approach our labors with conscientious zeal and with hearts full of sympathy for the needs of our land. O free us from every fear save that of doing wrong; and, walking in Thy strength, help us this and every day to live more nearly as we pray. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Hawks, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On June 23, 1949:

H. R. 4583. An act relating to telephone and telegraph service and clerk hire for Members of the House of Representatives.

On June 25, 1949:

H. R. 263. An act to authorize the Secretary of the Navy to grant to the county of Orange, Calif., a perpetual easement for the maintenance and operation of a public highway, and to grant to the Irvine Co., a corporation, a perpetual easement for the maintenance, operation, and use of a water-pipe line, in the vicinity of the naval air base, Santa Ana, Orange County, Calif.;

H. R. 717. An act for the relief of Groover O'Connell;

H. R. 2353. An act for the relief of Joel W. Atkinson;

H. R. 3324. An act for the relief of the estate of the late Anastacio Acosta, and the estate of Domingo Acosta Arizmendi; and

H. R. 4516. An act to amend section 312 of the Officer Personnel Act of 1947, as amended, so as to provide for the retention of certain officers of the Medical and Dental Corps of the Navy.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 240. Joint resolution authorizing the erection in the District of Columbia of a statue of Simon Bolivar.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4963. An act to provide for the appointment of additional circuit and district judges, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCARRAN, Mr. MILLER, and Mr. FERGUSON to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 2859) entitled "An act to authorize the sale of public lands in Alaska," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. O'MAHONEY, Mr. McFARLAND, Mr. KERR, Mr. MILLIKIN, and Mr. CORBON to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. MASON asked and was given permission to extend his remarks in the RECORD and include a letter from the Resident Commissioner of Puerto Rico, an explanation and a justification of their tax relief on new industry.

Mr. LOVRE asked and was given permission to extend his remarks in the RECORD and include resolutions adopted

by the American Legion at their annual meeting at Yankton, S. Dak.

Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the RECORD on the subject of housing.

Mr. STEFAN asked and was given permission to extend his remarks in the RECORD and include an address delivered by the Honorable Frank P. Matthews, Secretary of the Navy.

GUARANTY TO ALL EXCEPT THE TAXPAYER

Mr. RICH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There is no objection.

Mr. RICH. Mr. Speaker, "Truman asks Congress to provide guaranties for investors abroad," were the headlines that greeted us in Saturday morning papers, and "President submits program for helping backward regions, seeks \$45,000,000; President Truman yesterday sent Congress his long-awaited request for American help to develop the backward or underdeveloped areas of the world." This plan proposes either to bring foreigners to this country to study American industry methods, or send American technicians abroad to instruct foreign countries in the know-how and gives broad authority for the Export-Import Bank to guarantee American private investments in foreign countries.

Now did anyone ever hear of the Government guaranteeing American business in this country against losing money? No doubt a law of this kind in effect when Mr. Truman was in the haberdashery business would have prevented him from going into bankruptcy—the Government would have bailed him out.

Is it not about time we begin to give some thought to the American taxpayers who are already complaining loudly about the heavy burdens that have been and are continually being placed on them? Is it not about time that Mr. Truman recognizes that we cannot finance everybody and every country all over the world? Is it not about time that we get down to common sense and brass tacks, and think of the responsibilities we have to the American people? No wonder business is going into a slump, and unemployment rolls are growing longer all over the country. No one knows what demands the Government taxing authorities are going to make next. Soon we will break down American business and enterprise; already we have broken down the initiative of the American people as greater and greater encroachment by the administration reduces opportunities for private enterprise.

The President continues to demand \$150,000,000 for aid to Korea; he wants \$1,230,000,000 for the North Atlantic Pact agreement and to arm the countries who join this pact. He wants over \$5,000,000,000 for ECA; he wants Federal housing, which will cost \$19,000,000,000 over a 10-year period; he wants socialized medicine; he wants Federal aid to education; he wants the St. Law-

rence seaway; he wants farm prices à la Brannan; and he wants civil-rights legislation, and so forth.

In the name of all that is sane and sound, why does he not let the American people breathe easy for a while; stop these demands for new socialistic projects; cut down the cost of Government as it now exists and save the American taxpayer? Otherwise, John Q. Public will soon be broken down, and then the whole thing will collapse, just as Great Britain and her socialistic government is about to collapse now, notwithstanding the fact we are giving her over \$1,000,000,000 a year. Some say the Secretary of State and the Secretary of the Treasury want us to guarantee our gold to back the English pound. Who does not have it in his heart to help another man when he can do so? But when it is going to mean ruin to your own country to continue to help a foreign country, then I say it is time to attend to our own business. We have about reached the saturation point. Let us cease to experiment with theories and return to the fundamentals of sound business practice which have withstood the test of years.

EXTENSION OF REMARKS

Mr. ANGELL asked and was given permission to revise and extend the remarks he expects to make in Committee of the Whole today and include certain excerpts.

Mr. MCGREGOR asked and was given permission to revise and extend the remarks he expects to make in Committee of the Whole and include extra sound matter.

Mr. MACK of Washington asked and was given permission to extend his remarks in the RECORD and include an editorial.

HOUSING PROGRAM

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include an editorial from the Atlanta Journal on the subject of housing.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LANHAM. Mr. Speaker, I am introducing into the RECORD with leave to extend my own remarks, an editorial which appeared in the Atlanta Journal for June 21, 1949, entitled "Is Government's Housing Program Socialistic?"

The editor expresses my thoughts on the subject so accurately that I am glad to adopt his views as my own:

IS GOVERNMENT'S HOUSING PROGRAM SOCIALISTIC?

There is an excellent chance that President Truman will get a public-housing bill through Congress within the next month if the administration is willing to compromise. Already the Senate has passed a measure providing for 810,000 low-cost rental units. The House is to begin consideration Wednesday of a draft that would yield 1,050,000 units over a 7-year period. When the smoke of debate and controversy has cleared away, something pretty close to the Senate version is expected to emerge for Mr. Truman's signature.

The President's broadside against what he termed "the real-estate lobby" last week

brought a prompt reply from T. H. Maenner, of Omaha, president of the National Association of Real Estate Boards. One of Mr. Maenner's major points was that the housing program will cost nearly \$20,000,000,000 instead of about half that sum, as the administration estimates. The real estate spokesman said his estimate had been figured out by a reputable firm of certified public accountants in Washington. He did not deny Mr. Truman's assertion that the average rent for new apartments constructed by private builders with FHA-insured mortgages is \$87.50 a month. But he quoted census report figures to show that half of all the rental housing in the United States rents for \$29.33 a month, or less. This cannot be shrugged off as slum housing, he added, because a 1947 census survey showed that 93 percent of all urban housing needed "only minor repairs."

In addition to attacking the details of the administration program, Mr. Maenner repeated the philosophical arguments that have traditionally bolstered opposition to any kind of a Government housing plan. He spoke of socialized housing and political housing, accused bureaucratic officials of trying to perpetuate their jobs, and so on. His letter was ably drawn and no doubt sincere, but it did not address itself to the basic question at issue. That, as we see it, is whether or not Government should step in to accomplish what is urgently needed when private industry cannot or will not accomplish it. The fact is that the war left the United States with a shortage of residential buildings. Relative inactivity by private builders during depression years had been followed by wartime's forced inactivity. The result is the condition that exists today; 2,500,000 married couples living with other families, and about 6,000,000 of the Nation's homes classified as substandard. This is a problem that, as both Democrats and Republicans recognized in their political platforms, cannot be dealt with by generalities about socialism.

The Government would, in our opinion, have no business whatsoever in the low-cost rental housing field if the private builders were able to do the job. We should have been delighted to see them band together and offer an alternative plan based on the realities. Instead, they insist on attempting to tell the American people that the housing shortage is a phantasy hatched by Washington dreamers.

If it is socialistic to think that a workingman should be able to afford to rent a decent home for his family, or perhaps buy one, then the majority of the American people have been Socialists for a long time.

EXTENSION OF REMARKS

Mr. DOLLINGER asked and was given permission to extend his remarks in the RECORD and include an address.

PANAMA CANAL RAILROAD—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Merchant Marine and Fisheries:

To the Congress of the United States:

I transmit herewith for the information of the Congress the Ninety-ninth Annual Report of the Board of Directors of the Panama Railroad Company for the fiscal year ended June 30, 1948.

HARRY S. TRUMAN.

THE WHITE HOUSE, June 28, 1949.

EXTENSION OF REMARKS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my re-

marks in the RECORD and include an article from the front page of the Washington Times-Herald of this morning, and a telegram sent by the indignant citizens of the District of Columbia.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CALL OF THE HOUSE

Mr. SPENCE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 115]		
Boykin	Hinshaw	St. George
Bulwinkle	Kee	Scott,
Byrne, N. Y.	Kilday	Hugh D., Jr.
Carroll	McMillen, III.	Shafer
Chatham	Macy	Simpson, Pa.
Clevenger	Morrison	Staggers
Davis, N. Y.	Peterson	Taber
Davis, Tenn.	Pfeifer,	Thomas, N. J.
Dingell	Joseph L.	Vorys
Gilmer	Plumley	
Gwinn	Poulson	
Hall,	Powell	
Edwin Arthur Rivers		

The SPEAKER. On this roll call 396 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MARITIME COMMISSION

Mr. BLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk House Joint Resolution 235, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendments, as follows:

Page 2, line 4, after "charter", insert "(except one in respect of a passenger vessel)."

Page 2, line 11, strike out "coastwise services" and insert "United States continental coastwise and intercoastal services and services between continental United States ports and Alaska."

Page 2, line 12, strike out "coastwise services" and insert "United States continental coastwise and intercoastal services and services between continental United States ports and Alaska."

Page 2, line 15, after "charter", insert "(except one in respect of a passenger vessel)."

Page 2, line 21, strike out "coastwise services" and insert "United States continental coastwise and intercoastal services and services between continental United States ports and Alaska."

Page 2, line 22, strike out "coastwise services" and insert "United States continental coastwise and intercoastal services and services between continental United States ports and Alaska."

Page 3, line 3, after "vessel", insert "(except a passenger vessel)."

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. SHORT. Mr. Speaker, reserving the right to object, how much money was added in the other body?

Mr. BLAND. I cannot see that there is any money added. There will be money saved. If we do not get this resolution through, we will lose a great deal.

Mr. WEICHEL. Mr. Speaker, reserving the right to object, and I am not going to object, I do so for the purpose of yielding to the gentleman from California [Mr. ALLEN].

Mr. ALLEN of California. Mr. Speaker, I reserve the right to object, and I do not intend to object, in order that I may comment on some of the amendments made in the other body and try to avoid any ambiguity as to the intended meaning.

When House Joint Resolution 235 was passed by the House, it provided that charters for operations in the coastwise service would be upon commitments of 4 months rather than 6 months. Amendments were made in the Senate in each instance in which the words "coastwise services" were used. The Senate substituted the words "United States continental coastwise and intercoastal services and services between continental United States ports and Alaska." It is stated in the Senate report that these amendments are technical in nature and simply to clarify the intent of the resolution. Both the report which accompanied the resolution in the House and that of the Senate committee referred to the identical 57 vessels used in the identical trades mentioned in each of the reports.

In normal commercial practice it has been customary for vessels operating primarily in the coastwise, intercoastal, and Alaska services to handle cargo or passengers or both for Canadian, Puerto Rican, Cuban, and other ports, and it is my understanding that both the House and Senate language was intended to subject such vessels to the 4-month provision mentioned in the resolution even though cargo or passengers for such ports is so handled. It is in accordance with this assumption that I join in recommending that the House concur in the Senate amendments.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of this week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CIRCUIT AND DISTRICT JUDGES

Mr. CELLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4963) to provide for the appointment of additional circuit and district judges, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New

York? [After a pause.] The Chair hears none, and appoints the following conferees: MESSRS. CELLER, BYRNE of New York, LANE, JENNINGS, and KEATING.

HOUSING ACT OF 1949

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4009) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4009) with Mr. Boggs of Louisiana in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Before rising on yesterday the Committee agreed that title I of the bill should be considered as read.

Mr. SPENCE. Mr. Chairman, I offer an amendment, which is on the Clerk's desk.

Mr. CASE of South Dakota. Mr. Chairman, a point of order. I make a point of order in connection with the language which will be affected by the amendment offered by the gentleman from Kentucky [Mr. SPENCE].

The CHAIRMAN. The gentleman will state the point of order.

Mr. SHORT. May we have the amendment read first?

Mr. CASE of South Dakota. Well, Mr. Chairman, I do not want to lose any rights.

The CHAIRMAN. The gentleman from South Dakota will proceed to state his point of order.

Mr. CASE of South Dakota. Mr. Chairman, the point of order I make is that subparagraphs (e) and (f) of section 102 in title I constitute the appropriation of funds from the Federal Treasury, and that the Committee on Banking and Currency is without jurisdiction to report a bill carrying appropriations under clause 4, rule 21, which says that no bill or joint resolution carrying appropriations shall be reported by any committee not having jurisdiction to report appropriations.

This is no casual point of order made as a tactical maneuver in consideration of the bill. I make this point of order because this proposes to expand and develop a device or mechanism for getting funds out of the Federal Treasury in an unprecedented degree.

The Constitution has said that no money shall be drawn from the Treasury but in consequence of appropriations made by law. It must follow that the mechanism which gets the money out of the Treasury is an appropriation.

I invite the attention of the Chairman to the fact that subparagraph (e) states:

To obtain funds for loans under this title, the Administrator may issue and have outstanding at any one time notes and obliga-

tions for purchase by the Secretary of the Treasury in an amount not to exceed \$25,000,000, which limit on such outstanding amount shall be increased by \$225,000,000 on July 1, 1950, and by further amounts of \$250,000,000 on July 1 in each of the years 1951, 1952, and 1953, respectively—

Within the total authorization of \$1,000,000,000.

Further that subparagraph (f) provides that—

The Secretary of the Treasury is authorized and directed—

And I call particular attention to the use of the words "and directed"—

to purchase any notes and other obligations of the Administrator issued under this title and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended—

And so forth. The way in which this particular language extends this device of giving the Secretary authority to subscribe for notes by some authority is this: It includes the words "and directed."

In other words, the Secretary of the Treasury has no alternative when the Administrator presents to him some of these securities for purchase but to purchase them. The Secretary of the Treasury is not limited to purchasing them by proceeds from the sale of bonds or securities. He is directed to purchase these notes and obligations issued by the Administrator. That means he might use funds obtained from taxes, that he might use funds obtained through the assignment of miscellaneous receipts to the Treasury, that he might use funds obtained through the proceeds of bonds.

This proposal will give to the Committee on Banking and Currency, if it should be permitted, authority which the Committee on Appropriations does not have, for in the reporting of an appropriation bill for a fiscal year, any appropriation beyond the fiscal year would be held out of order. Here this committee is reporting a bill which proposes to make mandatory extractions from the Treasury during a period of 4 years.

In considering this matter I have looked up other uses of this device of having the Secretary subscribe to issues of securities, but in no instance have I been able to find where we have directed a Secretary to do so. We have authorized him, but we have never directed him. I have in my hand here supplement 1 of the 1946 edition of the United States Code which in title XV, paragraph 606, sets forth the provision in the Reconstruction Finance Corporation Act of June 30, 1947. In that act the Reconstruction Finance Corporation was authorized to issue to the Secretary of the Treasury its notes, debentures, bonds, and so forth; but when it comes to what the Secretary of the Treasury may do it states:

The Secretary of the Treasury is authorized to purchase any obligations—

But it does not say that he is directed to do so; in other words, the Secretary has some discretion on RFC securities; it is not mandatory that money be extracted from the Treasury.

I also have here title 42 of the Code which gives the Housing Act of 1937, as

amended, and I invite the Chair's attention to that particularly because we are dealing here with a proposed extension of the housing program. In subparagraph (c) of paragraph 1420, title XLII, United States Code, the following language is carried:

The Authority is authorized to issue obligations in the form of notes, bonds, or otherwise which it may sell to obtain funds for the purposes of this act.

It then states that the obligations shall be unconditionally guaranteed but provides for congressional review through specific appropriations in these words:

In the event that the Authority shall be unable to make any such payment upon demand when due, payment shall be made by the Secretary of the Treasury on money authorized to be appropriated for such purpose out of any money in the Treasury not otherwise appropriated.

It does not direct the Secretary of the Treasury to procure them. Now, going further, in subparagraph (d) the language of the Housing Act, as amended, reads:

The Secretary of the Treasury is likewise authorized to purchase any such obligations.

But it does not contain the words that are included here in subparagraph (f) where the pending bill states:

The Secretary of the Treasury is authorized and directed to purchase any such notes.

Mr. Chairman, this is not, as I said earlier, a casual point of order; we are here dealing with the fundamental power of the Congress to control appropriations. No such device has ever before, so far as I can find out, been presented to the Congress for getting money in the guise of a legislative bill without its having been considered by the Committee on Appropriations. It is a mandatory extraction of funds from the Public Treasury, and, consequently, constitutes an appropriation and is beyond the authority or the jurisdiction of the Committee on Banking and Currency to report in this bill.

The CHAIRMAN. Does the gentleman from Kentucky desire to be heard on the point of order?

Mr. SPENCE. I do, if the Chair please.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. SPENCE. Mr. Chairman, the raising of funds by public debt transaction has been frequently authorized by the Congress: The Export-Import Bank raises funds by that method; the Bretton Woods Agreement, in my recollection, is carried out by that method; the British loan was financed by that method, and the Federal Deposit Insurance Corporation was also financed by that method. It does not seem to me that this is a seasonable objection. This has been the policy of the Congress for years.

Mr. Chairman, this is not raising money to be appropriated for the purposes that ordinary appropriation bills carry. All of this money is to be used as loans.

The gentleman says that in other acts the Secretary of the Treasury is "authorized" but not "directed." I contend that the meaning of "authorized" and

"directed" in this act is absolutely the same.

Do you think when you authorize the Secretary of the Treasury to raise funds to carry out a great public purpose it is in his discretion whether he shall raise those funds and that that shall depend on the discretion of the Secretary of the Treasury? I say "authorized" in this sense means "directed." It could not mean anything else, otherwise you would be delegating to an officer of the Government entire discretion as to whether or not great national acts should be carried out and the purposes of Congress should be subserved.

Mr. CASE of South Dakota. Mr. Chairman, in most of the acts which the gentleman has suggested, points of order were waived, and I refer to Bretton Woods and some of the other bills. But as to the particular point here in issue, the question whether the words "and directed" have any meaning, if they do not have any meaning why are they there? The present housing act merely authorizes the Secretary of the Treasury to purchase. It does not say "and directed." The very inclusion of the words "and directed" is evidence of the fact they have a special meaning. They create a mandatory extraction of funds from the Public Treasury.

Mr. SPENCE. Mr. Chairman, I still contend unless you would make our acts a nullity "authorized" and "directed" have exactly the same meaning when applied to a public official charged with carrying out a great national act. I do not think there can be any reasonable construction that would hold otherwise.

Mr. McCORMACK. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will be glad to hear the gentleman from Massachusetts on the point of order.

Mr. McCORMACK. Mr. Chairman, I agree with my friend who has raised the point of order that this is not a casual one, but, on the contrary, is a very sincere one. It presents a new question from a legislative angle to be passed upon in the direct question raised by the point of order.

The gentleman from South Dakota has referred to the Constitution. The Constitution says:

No money shall be drawn from the Treasury but in consequence of appropriations made by law.

The word "appropriations" is used.

The rule referred to, clause 4, rule 21, says:

No bill or resolution carrying appropriations shall be reported by any committee not having jurisdiction to report appropriations.

You will note the word "appropriations" is used. Now, let us see what "appropriations" means.

I have before me Funk & Wagnalls Standard Dictionary and "appropriations" is defined as follows:

To set apart for a particular use. To take for one's own use.

The provisions of this bill are not taking for one's own use, because this is a loan designed purely for loan purposes. It is not a definite appropriation. It is giving authority to utilize for loan purposes

and the money comes back into the Treasury of the United States with interest.

Again, the word "appropriations" is defined:

Something, as money, appropriated—

I call particular attention to those words "something, as money, appropriated"—

or set apart, as by a legislature, for a special use.

I repeat "something, as money."

The provision in paragraph (f) that my friend has raised a point of order against relates entirely to loans. As we read section 102 of title I it starts out with loans. Throughout the bill, a number of times, there is reference to loans.

Paragraph (e) says:

To obtain funds for loans under this title.

It is a loan.

The meat of the two paragraphs, as I see it, is this:

Paragraph (f), line 23, page 8, says:

The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Administrator issued under this title and for such purpose is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of such notes and other obligations.

It seems to me that that is the meat. Certainly, the language there does not amount to an appropriation. It is entirely for loan purposes.

I think it is reasonable to submit to the Chairman that in order for the House to carry out its will that the rules should be construed from a liberal angle, a broad angle, rather than from a narrow angle. Certainly, the word "appropriations" is used in the Constitution. And, I think it is the rule of the House that must govern, and that is what the Chair has to pass upon, because the Congress could determine by proper legislation what the word "appropriation" means as contained in the Constitution itself. So, it is a rule that I respectfully submit the Chairman has got to construe in relation to the provisions of the bill to which the point of order has been addressed, and that specifically says, as I have referred to before, "that no appropriations," and so forth, which refers to appropriations entirely. There is nothing said about loans. Now, if the House intended that it should apply to provisions of this kind, instead of saying, "No bill or joint resolution carrying appropriations shall be reported" the House might have said, "No bill or joint resolution carrying appropriations or having directly or indirectly the effect." There is a difference between cause and effect. Certainly, it applies to this case. The House, in its wisdom, in adopting this rule, confined it to appropriations made to an agency of Government for use by that agency in carrying out what the Congress considered to be essentially the function of the Government during the coming fiscal year or during the period for which the appropriation has been made.

I respectfully submit that it must call for an appropriation out of the general funds of the Treasury in order to violate the rules of the House. This permits the use of money raised by the sale of bonds under the Second Liberty Bond Act for loans to these public agencies, such loans to be repaid with interest.

I respectfully submit, complimenting my friend for having raised the point of order—and certainly, it is not a dilatory one, nor a casual one, one that demands respect—that the point of order does not lie against the language contained in the pending bill.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Illinois.

Mr. CHURCH. The gentleman has discussed the point—the difference between the word "authorized" and "directed." Does not the gentleman realize that he is "authorized" to appear on the floor and "authorized" to make statements? The gentleman is not "directed" to. Now, following further, the Committee on Appropriations of this House is "authorized" to do certain things, but the gentleman must realize that the Committee on Appropriations is not "directed" to do certain things. There is a real difference, a constitutional difference between the words "authorized" and "directed." The gentleman is "authorized" to walk down the street and "authorized" to do many things. But the gentleman would fight for his right not to be "directed" to do what he is "authorized" to do. The gentleman's argument is farfetched. This is a serious situation.

Mr. McCORMACK. There is nothing the gentleman has said that I can disagree with except that everything the gentleman has said has no application to the matter pending now. The basic question here is whether or not this is an appropriation within the meaning of the rules or money that is going to be utilized for loan purposes and recovered back into the General Treasury. So the gentleman's observations, as I see it, respecting the gentleman as I do, have no application at all to the basic and pertinent question presented to the Chair by the point of order raised by the gentleman from South Dakota.

Mr. CHURCH. There is the real difference between being "authorized" for the next 40 years to do certain things, and being "directed" to do them. It is an entirely different thing when you "direct" the Treasury to do certain things for the next 40 years. There is a real application here.

Mr. McCORMACK. I still think the gentleman is not addressing himself to the pertinent and fundamental point raised by the point of order. The Secretary is "authorized and directed" to make loans. That is what this relates to, the loans.

Mr. PHILLIPS of California. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman from California on the point of order.

Mr. PHILLIPS of California. The question has to do with the meaning of

"authorized and directed." Within the past 6 weeks I have had a bill before one of the major committees of this House. The county counsel of my home county raised the question of whether the wording should be "authorized" or "authorized and directed" in four different places in the bill. It was taken up with the attorneys for the Interior Department. The attorneys recognized the distinction between "authorized" and "authorized and directed," and agreed upon the inclusion in certain instances and not in others. There is a recognized distinction, Mr. Chairman.

The CHAIRMAN (Mr. Boggs of Louisiana). The Chair is prepared to rule.

The Chair agrees with the gentleman from South Dakota that the point which has been raised is not a casual point of order. As a matter of fact, as far as the Chair has been able to ascertain, this is the first time a point of order has been raised on this issue as violative of clause 4 of rule XXI.

As the Chair sees the point of order, the issue involved turns on the meaning of the word "appropriation." "Appropriation," in its usual and customary interpretation, means taking money out of the Treasury by appropriate legislative language for the support of the general functions of Government. The language before us does not do that. This language authorizes the Secretary of the Treasury to use proceeds of public-debt issues for the purpose of making loans. Under the language, the Treasury of the United States makes advances which will be repaid in full with interest over a period of years without cost to the taxpayers.

Therefore, the Chair rules that this language does not constitute an appropriation, and overrules the point of order.

Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. Would the Chair hold then that that language restricts the Secretary of the Treasury to using the proceeds of the securities issued under the second Liberty Bond Act and prevents him from using the proceeds from miscellaneous receipts or tax revenues?

The CHAIRMAN. The Chair does not have authority to draw that distinction. The Chair is passing on the particular point which has been raised.

Mr. CASE of South Dakota. However, Mr. Chairman, it would seem implicit in the ruling of the Chair and I thought perhaps it could be decided as a part of the parliamentary history. It might help some courts later on.

The CHAIRMAN. The Chair can make a distinction between the general funds of the Treasury and money raised for a specific purpose by the issuance of securities. That is the point involved here.

The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On page 8, line 5 strike out the words "not to exceed in any fiscal year an additional" and insert the words

"additional amounts aggregating not more than."

Mr. FARRINGTON. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the Delegate from Hawaii?

There was no objection.

Mr. FARRINGTON. Mr. Chairman, I would not intrude on your valuable time at this point in your deliberations if I did not feel it was my duty to call to your attention a situation which, in the opinion of the people of Hawaii, whom I represent, is little short of desperate.

I returned last night from Honolulu. I spent Thursday, Friday, Saturday, and Sunday of last week in Honolulu in order to inform myself fully on the results of the strike of longshoremen that is now in its fifty-ninth day. I saw most of the officials concerned with dealing with this problem and conferred with many representative citizens as well as the principals in the dispute that brought about the strike.

The interruption of shipping that has resulted from this strike has brought to Hawaii all of the effects of a general strike.

We are faced with complete strangulation.

Not only is the entire economic life of the Territory of Hawaii undergoing a process of paralysis, but the citizens of the Territory, more than one-half million Americans, are possessed with mixed feelings of fear, anxiety, and despair that in many instances have brought individuals and some groups almost to the point of panic. The fact that no serious incident has developed as a result of this feeling is only the result of the unusual patience and discipline that normally marks the attitude of these people toward their Government.

The Governor of the Territory has established an Emergency Food Committee. While the arrangements made by this committee for the shipment of essential food and medical supplies will prevent actual starvation and suffering, the fact remains that it is so inadequate that it can only serve the purposes of the immediate present.

The committee arranged for the immediate shipment on naval vessels of 6,000 weight tons of cattle and poultry feeds and 9,000 tons of essential human foods.

This only met an immediate emergency involving a heavy drop in the supply of dairy products and the threatened destruction of poultry, as well as the supply of foodstuffs urgently needed by the people of the islands.

The committee has arranged for the operation of a so-called relief ship that will make 1 trip every 3 weeks, bringing with it slightly less than 11,000 tons of essential feeds and foodstuffs. The committee feels that at least 2 additional ships are needed just to sustain an adequate program of relief alone.

The normal needs of the Territory are met by the arrival of at least three ships a week.

And this arrangement does not contemplate the movement of any of the products of the Territory to the States and specifically provides that on its return to the States the so-called relief ship shall carry molasses as ballast.

This means imports can be sustained at only about one-ninth of normal and that there will be no exports whatsoever.

It should be self-apparent that the Territory cannot possibly continue to live under this arrangement.

It shows the dependence of Hawaii on surface ocean shipping is so complete that interruptions in this service, no matter what their origin or cause, are intolerable.

These interruptions in shipping service are worse than anything that can happen in the States as a result of stoppage of railroad service, as we are completely without any alternative.

These interruptions must be stopped.

Certainly there are other means to meet the issues, the disputes, that arise and will continue to arise between management and labor in this segment of our industry without resort to the paralyzing action that comes of a strike such as the present one.

The strike has aggravated unemployment in Hawaii where it is a point of very grave concern. Unemployment increased from May 1 to June 23 by 5,050, bringing the total number in the Territory to 21,050.

The CHAIRMAN. The time of the gentleman from Hawaii has expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. Wolcott]?

There was no objection.

Mr. FARRINGTON. The number of unemployed of the total labor forces of the Territory is now 11.2 percent, in contrast with the national average of 3.5 percent.

Unemployment compensation claims increased in May to an all time high and it is estimated that the volume for June will be 40 percent greater.

Unemployment compensation claims and servicemen's readjustment allowances totaled half a million dollars as compared with a total of less than three million for the entire year of 1948.

On the contrary, the price of living has risen and many essential items are in short supply.

Some business firms are reducing their personnel. Others are reducing working hours and still others are reducing wages.

The returns on a poll conducted by the Chamber of Commerce of Honolulu of 1,650 business firms showed approximately 20 percent of the firms had reduced the number of hours worked per week and a similar percentage had reduced wages between 5 and 50 percent.

There has been a sharp decline in business. The small merchants in particular are paying a heavy penalty and some of them are threatened with the entire loss of their business.

The shortage of warehouse space has compelled one of the largest sugar plan-

tations to discontinue the harvesting and grinding of cane. Similar situations face the others.

The production of canned pineapple is threatened by the shortage of tin plate.

The tourist trade is off 35 percent.

The loss of business has run into the millions of dollars. Some place this figure at \$12,000,000 but probably it will be infinitely greater than this when the ultimate cost has been counted.

The resulting situation is intolerable. The penalty that is being paid by a whole people for this dispute is beyond anything they should be expected to bear.

From the very outset I have contended that the Federal Government was morally obligated to take aggressive steps to assert its authority to bring about a solution of this problem. The Federal Government retains complete control over both the executive and judicial branches of the Territory and limits our representation in Congress and for this reason alone, if for no other, the people of Hawaii feel that action should be taken to protect them. The refusal of the Government on the one hand to cope aggressively with the problem, and the other, to deny us the authority and the means to do it ourselves is just not fair.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. FARRINGTON. I yield.

Mr. SHORT. It has been my rare privilege to be the recipient of the generous hospitality of the Delegate from Hawaii. I know the grave situation that prevails out in those islands. I wonder why the President under existing law, the Taft-Hartley law, does not take some action, because he can do it.

Mr. FARRINGTON. Mr. Chairman, I am not here to suggest what action should be taken. I have already offered two bills to deal with this problem, and I am presenting a third today.

Three investigations have been requested.

One committee was appointed for this purpose and decided against proceeding any farther.

And still no effective means has been found to deal with this problem.

I believe that it is the duty of Congress to undertake immediately an inquiry into this problem in order to determine whether adequate steps have been taken by the executive branch of the Government to cope with it and, if new legislation is needed for the purpose to take the steps necessary to bring about its consideration and enactment immediately.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. FARRINGTON. I yield.

Mr. KEEFE. It is a fact, is it not, that we have spent over \$1,000,000,000 to fly over the Russian blockade, to carry supplies into Berlin to the people who were our former enemies; yet here is a situation in Hawaii where our own people are effectively blockaded from contact with the mainland, and devastating destruction to the economy of Hawaii has taken place, but our own country seems unable to deal with the situation to provide even the bare necessities to maintain the business and life of Hawaii. It is indeed a

great tragedy with which the Congress ought to deal.

Mr. FARRINGTON. I appreciate the gentleman's interest.

The CHAIRMAN. The time of the Delegate from Hawaii has expired.

Mr. SPENCE. Mr. Chairman, we have important business to transact, and I shall insist that there be no extensions of time beyond the 5-minute period from now on. I did not object to the gentleman's proceeding for extra time, because he had a problem to present to the House. I want to expedite the consideration of this bill; I want to do everything I can to subserve that end.

Mr. KARSTEN. Mr. Chairman, I move to strike out the last word and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. KARSTEN. Mr. Chairman, the district I have the honor to represent lies in the heart of one of this Nation's great metropolitan centers. The St. Louis metropolitan area had a population of nearly a million and a half when the 1940 census was taken. The city itself, at that time, had a population of well over 800,000. Without taking into account the remarkable growth it has experienced in the last decade, St. Louis ranked as the eighth largest city in the Nation.

This great city and its environs has much to gain from enactment of the legislation we now have before us. Like every other city, large or small, St. Louis faces a desperate housing situation. With more than a quarter million occupied dwelling units, it still has about 33,000 dwellings served by outside privies. Like every other city, St. Louis is struggling under the back-breaking burden imposed by its obsolete and deteriorating blighted areas. Its low-income families, like those in every community, cannot find adequate housing within their means.

St. Louis does not turn first to others for solutions to its problems. Like many another city, St. Louis has sought to find solutions to its problems at home. Under the leadership of its many forward-looking citizens, it has sought ways to wipe out its slum areas and to house its low-income families.

Despite its vigorous efforts, my city has learned the same bitter lesson that every city in similar circumstances has learned. It has found that its slum clearance and low-rent housing problem is too great to be met by the resources available to it. It has found that it must have the kind of assistance proposed in H. R. 4009.

This bill holds major hopes for the future of St. Louis. It will make it possible for St. Louis to clear out the slum areas which are now gnawing at its heart. It will make it possible for the city to transform these areas from liabilities into assets for the future growth and health of the municipality. It will make these lands available for new industrial uses, new commercial centers, new residential developments, and for public uses. We will have a golden op-

portunity to utilize these wasted lands for the purposes for which they are best suited and for the purposes which will best serve all the citizens of St. Louis.

More than that, H. R. 4009 will make it possible for the city's own housing authority to go ahead with the construction of vitally needed low-rent housing projects which will house the men, women, and children who today live in the darkness of the slums. This need is great. The city now has about 1,300 units of public low-rent housing in two fine locally owned and operated projects. A few years ago, the city estimated that it would need at least 12,000 additional units for a 3-year program. There has been no abatement in the need since then. On the contrary, the need has grown more acute. If the city were to state its full needs, the total would surely be several times the number of units contemplated for a small 3-year program.

St. Louis has waited long and patiently for this legislation to rescue it from a strangle hold it could not break itself. I take pride in joining with the many distinguished Members of the House who are putting their strength into a measure which will brighten the future for all Americans.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, in the debate on the point of order it developed, if nothing else was accomplished, that the Congress of the United States, when it once adopts this program, will never in the next 40 years have anything to say in respect to whether it should be curtailed or the use to which the money shall be put.

It seems to me that, regardless of all the other objections to this bill, this presents a very fundamental and basic objection to the legislation. It should be stressed that when we pass the bill that Congress will have nothing to do for the next 40 years in respect to about \$3,000,000,000 of the money made available under this bill and will have no alternative to the raising of the other \$16,000,000,000 which are contractual obligations. The Federal Government may be sued on these contracts for the consideration of the contracts which are the guaranties that the Federal Government will not only make the grants and the loans but will provide annual contributions totaling under existing language upward of \$16,000,000,000.

Have it definitely in mind, Mr. Chairman, that when you vote for this bill you will vote to tie up \$19,000,000,000 of the taxpayers' money without any opportunity whatsoever to retract if you find a mistake has been made. I do not think the American people sent us down here to legislate in that way. The American people, in my opinion, would like to feel that their Congressmen can stop any program at any time if it develops the program is not sound or that there is a basic fundamental danger to the American way of life in respect to the commitments made under the program. You legislate against any such future action in this bill by turning over to the Administrator of the Housing and Home Finance Agency the power to raise on its

own initiative \$19,000,000,000 of the taxpayers' money. Think of it. The most we have ever given to a President in time of war to play with was a relatively inconsequential \$1,800,000,000 in the stabilization fund. In this bill we turn over to one individual, without any check on his actions by the Congress, upward of \$19,000,000,000.

Now, Mr. Chairman, I think we should stop, look, and listen and determine what we are doing in this bill. That, to me, is fundamental; it is basic. It is contrary to representative democracy to delegate the raising of \$19,000,000,000, or any major part of \$19,000,000,000, to any agency or to any single individual as is contemplated in this law.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Indiana.

Mr. HALLECK. In view of what the gentleman has said, I wonder if he would not agree that it would be much more honest and much more in keeping with the constitutional, traditional principles of our Government that if we do want to go ahead with low-rent public housing that we appropriate year by year for the construction of the units in order that the Congress can control the operation of the program and the extent to which it might go.

Mr. WOLCOTT. It seems to me that is the only way to do this in keeping with our constitutional obligations.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 10, line 18, strike out "not to exceed in any fiscal year an additional" and insert "additional amounts aggregating not more than."

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, there is another very basic fundamental objection to this bill, which establishes a precedent for the first time in respect to the association between the State governments and the Federal Government. In no other legislation do we bypass State governments and deal directly with subdivisions of the State. We have always respected State sovereignty in every act which has been passed by this Congress.

Assume under this bill that a State legislature lays out a program, and under its sovereignty the State would have authority to do so; under its police powers a State would have authority to set up a program. Now, then, the program might have certain limitations. It might have certain standards for the guidance of the municipalities in the removing of their substandard houses and providing for low-rent dwellings. Notwithstanding the State program, set up by a sovereign State, any municipality, any county, any other political entity, including a school district, would have power, because we make grants to entities for the purpose of providing facilities.

If there happens to be a fire district within a city which is constituted as a legal entity under the State, that fire district could negotiate, as well as any other political subdivision of the State, directly with the Federal Government, contrary to and in clear defiance of any program which a sovereign State has set up for the guidance of their cities and municipalities in respect to any part of this program.

For the first time that I recall we here defy the provisions of the Constitution which guarantee and assure the perpetuation of the sovereignty of the States of this Union.

These questions are fundamental and basic. Up to only a few years ago this Congress debated hour upon hour, day upon day, year upon year, the inroads by the Federal Government on the sovereignty of the several States, yet in this bill, in addition to the other objections, for the first time we take the first major step in the destruction of the rights of the States to exercise the sovereignty which is preserved to them under the Constitution of the United States.

Mr. Chairman, I think we should again stop, look, and listen to determine if we are doing the right thing, whether our actions here today are in keeping with the American system, the dual system of a Federal Government and a recognized system of State governments who have given us all the authority which we have, and no more, to deal with these subjects.

Mr. Chairman, I hope that that matter will be given serious consideration, and that we do not establish the precedent in this bill of bypassing the sovereign States in the setting up of any program, even whether or not it is contrary to the provisions of any State program.

Mr. SPENCE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, those who make technical objections to the bill are opposed to the bill and the objectives we seek to attain. It is not a theory that confronts us, it is a condition. How can we meet that condition? The only way I know that that condition can be met is by the methods which are prescribed in the bill that is now presented to the House.

Have we invaded the States. I think not. Forty-two of the States have passed enabling acts to receive the benefits of public housing. They were anxious to come under the bill we passed in 1937 as soon as it was passed. We do not force the will of the Congress on the States, it is optional. If they do not want to receive the benefits of this act they do not have to do so.

The gentleman from Michigan said the States delegated the power to the Federal Government and that now the Federal Government is invading the States. The States did not delegate such power. The people delegated the power and we are endeavoring to help the people. Violent protest has been made with reference to the public debt transaction by which we raise the funds to carry out this project. I know of no other way that we can carry it out. The Federal Constitution says that no State shall make any law impairing the obligation of contracts

and certainly the Federal Government should not repudiate its contracts. The full faith and credit of the Government is pledged to carry this out and the only way we can pledge that faith and credit and the only way we can see to it that the ends are achieved which we seek to achieve, is by the public debt transaction where the power to carry it out, and the assurance that our agreements will be carried out always exist.

We hear a great deal of talk about \$16,000,000,000 being spent over a period of 40 years. Experience has shown that the expenditures will not be anything like \$16,000,000,000. I have no doubt that \$10,000,000,000 or \$11,000,000,000 will be the limit of expenditures under this bill. Is it not worth it to the people of America to clear the slums and to give low-rent housing to people who otherwise would not be able to afford a home? I think it is. We did not hear any protests when the loans were made by the Reconstruction Finance Corporation to the banks, insurance companies, and railroads. We did not hear any fears expressed that that might result in socialism. Suppose those great organizations were not able to repay the money which was loaned to them by the Federal Government? Suppose that the Federal Government would have had to take them over in order to secure the funds which were advanced to them? Suppose the railroads of America had been socialized, and suppose the transportation of America was federally controlled. That would result in the control of the mines and factories and mills of America. Suppose they had taken over the banks and insurance companies—that would have controlled the credit and the money of our people. Baron Rothschild said, "Let me control the money of a nation and I care not who makes its laws."

Suppose the Federal Government would have had to take these great institutions over? That would have been a real threat of socialism. Socialism comes down from the top and does not creep up from the bottom. You did not hear any protest at that time about the threat of socialism, nor did you hear any of the great corporations say, "We cannot take this loan, because it might bring about socialism."

No; I am for private enterprise and I wanted to see them bailed out. But there in that instance was a greater threat of socialism than to help poor fellows get homes. We helped the people save their homes by the activities of the Home Owners Loan Corporation, and many of our citizens today have homes by reason of that Corporation. Do the gentlemen who denounce this bill consider that socialism? All this hullabaloo about socialism and about the change of government because we try to give people who otherwise could not obtain them homes to make them happy and contented and to make the Nation stronger does not seem to me to have any force.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, of course the Members understand that the Committee on

Banking and Currency did not write this bill. As a matter of fact, few of us even understand the bill. I do not pretend to understand all of it. It was written by the same crowd that wrote the United States Housing Act of 1937. You can see the hand of Leon Keyserling, vice chairman of the President's Economic Council, all through the bill. In my opinion, he holds to an ideology indistinguishable from that promulgated by the most ardent advocates of socialism.

I want to point out something which has not been mentioned here before, namely, that this bill shrewdly provides for making it possible to finance a part or all of the cost of these projects with Government printing-press money. If the securities issued to finance the cost of the low-rent projects, whether by local housing authorities or the Treasury, are sold to banks, the transaction involves what amounts to the issuance of Government printing-press money.

This bill specifically amends the National Banking Act so that national banks can participate in this process of printing money. Government printing-press money is the basis upon which New Dealism rests. Government printing-press money is of the very essence of socialism or communism. Government printing-press money was deliberately issued by the Bolsheviks to overthrow the old Russian regime and to institute the Communist state.

I wish the chairman of the Committee on Banking and Currency would give me his attention. I challenge him to deny that this bill makes it possible to finance a part or all of the cost of these projects with printing-press money.

Mr. SPENCE. What is printing-press money?

Mr. SMITH of Ohio. What is printing-press money?

Mr. SPENCE. Do you mean money that is printed without anything behind it? Is that what you mean? I hope the faith and credit of the Government of the United States is behind every dollar that is printed. I do not know what printing-press money is.

Mr. SMITH of Ohio. The chairman does not and cannot deny my charge.

If you buy a Government bond and pay for it out of your savings, no printing-press money has been created. But when the Government issues a bond and sells it to a bank, then printing-press money is created because that bank does not pay anything for the bond. It simply writes up on its books a deposit equal to the amount of the bond, and the Government checks against it.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. JENSEN. Was it not this kind of program which brought about the condition in all the countries of this world when it required a bushel basket full of bills to purchase a loaf of bread? Is that not the program which brought about the condition whereby the currency was so depreciated in value?

The CHAIRMAN. The time of the gentleman from Ohio [Mr. SMITH] has expired.

Mr. SHORT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, only fools rush in where angels fear to tread. I am reluctant to speak because I know in advance the utter futility of anything that I might say concerning the pending legislation.

Long years ago Santayana walked into our classroom at Harvard and said:

O world, thou choosest not the better part! It is not wisdom to be only wise, And on the inward vision close the eyes, But it is wisdom to believe the heart. Columbus found a world, and had no chart, Save one that faith deciphered in the skies; To trust the soul's invincible surmise Was all his science and his only art. Our knowledge is a torch of smoky pine That lights the pathway but one step ahead Across a void of mystery and dread. Bid, then, the tender light of faith to shine By which alone the mortal heart is led Unto the thinking of the thought divine.

What connection has that poem with this legislation? It has every connection: Columbus did not trust only his knowledge or wisdom, but the faith in his soul.

I think of the pioneer ancestry of ours that carved an empire out of a wilderness, those who landed in New England at Plymouth Rock and earlier at Jamestown in Virginia. They made their way westward, sir, without any Government doles or hand-outs; they lived in wigwams; they lived in adobe huts; they lived in undergrounds, sod houses; they thanked their God that they were free men. In freedom there is strength.

Benjamin Franklin, one of the wisest philosophers of all time, never uttered a greater truth than when he said:

He who surrenders his liberty for temporary security deserves neither and will soon lose both.

We have been surrendering our security and our freedom for Government doles and hand-outs, expecting Uncle Sam, a Santa Claus in Washington, to take care of us whether we put forth any effort to take care of ourselves or not.

Francisco Pizarro, who lived in the latter part of the fifteenth and the early part of the sixteenth centuries, coming from Spain to far-off Panama, took a sword, and with only 13 followers, 1 more than the 12 disciples of our Lord, he drew a line in the sand and he said:

Friends and comrades: On that side are toll, hunger, nakedness, the drenching storm, desertion, and death; on this side ease and pleasure. There lies Peru with its riches, here Panama with its poverty. Choose each man what best becomes a brave Castilian. For my part, I go to the south.

And he went to the south. He did not depend upon gimme, gimme, gimme. This nauseating, complicating, paralyzing, and destructive force of a paternalistic patronizing bureaucracy in Washington is indefensible.

Let every man build his own house. Do not envy another.

You are going to tax the people down in my district, every family in the Seventh Congressional District of Missouri, \$134 a year for the next 40 years. What for? To build units costing from \$12,000 to \$16,000 in Brooklyn. I am not willing for my people to be taxed even to build them in St. Louis. God knows my people

who still live in log cabins, cover their houses with bullhides and use their tails for lightning rods, are asking nothing; they want to be let alone. Not \$1 of all this sum will be spent on the 313,000 people of my district; not a single dollar will be spent. Oh, yes, you are moral uplifters, you are great philanthropists; but remember the Son of Man and the Son of God, the greatest teacher, said:

If any man will come after Me, let him deny himself and take up his cross and follow Me.

The foxes have holes and the birds of the air have nests; but the Son of Man hath not where to lay His head.

Do not expect to be carried through life on a rubber-tired buggy or in a new modern Buick; hoe your own row; leave us alone; keep America solvent and free, and defeat this dastardly thing.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on title I and all amendments thereto close at 2:30.

Mr. HALLECK. Mr. Chairman, the gentleman from Michigan [Mr. Wolcott], has temporarily stepped out. There are a number of amendments. This is a very important section. So, Mr. Chairman, I object.

Mr. SPENCE. Mr. Chairman, I move that all debate on title I and all amendments thereto close at 2:30.

Mr. COLE of Kansas. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COLE of Kansas. Mr. Chairman, does the gentleman ask that all debate on section 1 or title I close at 2:30?

Mr. SPENCE. Title I.

The CHAIRMAN. On title I.

Mr. WOLCOTT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. Mr. Chairman, how many amendments are pending?

The CHAIRMAN. The Chair would like to announce that there are seven or eight committee amendments which have not yet been disposed of. In addition to that, the gentleman from Kentucky [Mr. SPENCE] has two amendments, the gentleman from California [Mr. PHILLIPS] has an amendment pending, the gentleman from Massachusetts [Mr. HERTER] has an amendment pending, the gentleman from New York [Mr. POWELL] has an amendment pending, the gentleman from Florida [Mr. SMATHERS] has an amendment pending, the gentleman from Florida [Mr. BENNETT] has an amendment pending, and the gentleman from New York [Mr. McGrath] has an amendment pending.

Mr. WOLCOTT. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. Mr. Chairman, I understand the gentleman from Kansas [Mr. COLE], has two amendments which he desires to offer. If debate is closed at 2:30, which is only 37 minutes from now, it means that the time will be distributed among all of these Members who have amendments?

The CHAIRMAN. The Chair is unable to guarantee what may happen in

the distribution of time. The Chair will do his best to see that each Member who has an amendment is duly recognized.

Mr. WOLCOTT. Mr. Chairman, can the Chair inform us in number how many amendments are now pending?

The CHAIRMAN. There are six committee amendments. The Chair understands that the gentleman from Kansas [Mr. COLE] has two amendments. So there are six committee amendments and eight other amendments.

Mr. SMATHERS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SMATHERS. Mr. Chairman, if this motion is agreed to, does it mean those of us who have not had an opportunity to speak on this bill and who desire to offer an amendment will be limited to perhaps 1 minute?

The CHAIRMAN. That is within the discretion of the Chair. Will the gentleman from Kentucky restate his motion?

Mr. SPENCE. Mr. Chairman, I move that all debate on title I and all amendments thereto close at 2:30.

The CHAIRMAN. The question is on the motion.

The question was taken; and on a division (demanded by Mr. SPENCE) there were—ayes 75, noes 115.

So the motion was rejected.

Mr. GAVIN. Mr. Chairman, I move to strike out the necessary number of words and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. SPENCE. I object, Mr. Chairman.

Mr. GAVIN. Mr. Chairman, I have been following this debate with a great deal of interest and I must say, have listened very carefully.

My very good friend the gentleman from Michigan, Jesse Wolcott, tells us this program is a distinct trend toward socialism. My very good friend the gentleman from Massachusetts, the distinguished majority leader, calls it "dynamic democracy."

In any event, to keep the record straight so when I sit down somebody will not say, "How do you think he is going to vote?" let it be understood that I intend to vote against the bill.

I am in favor of a housing program but not one that will permit the Government to spend in the form of nonrepayable subsidies the staggering sum of \$16,562,500,000. Or approximately \$400,000,000 a year for a 40-year period.

Now the President comes out and states we must have a housing program. So, come what may, we are going to have a housing program, and that is that. And you will take it and like it. You might not like it, but you will take it.

Back in 1946, under Government control and supervision, I understand about 460,000 houses were built. In 1947, under private industry, approximately 840,000 units were built. Assured there would be no Government competition in 1948, private industry constructed 960,000 houses. And now the reports indicate that because of the threat to the building industry again by Government going into the housing business, housing

units constructed in 1949 will be under the 1947 figure.

I feel that if the Government would get out of the housing business and let private industry proceed, that private industry could catch up with the housing shortage in several years. But the proponents of this bill say that private industry has not met the demand. Certainly they have not met the demand, and they will not meet the demand as long as restrictions and regulations strangle the free flow of business. They will not invest their money until there is some assurance there will be no governmental interference.

Certainly these "give-away" programs are popular. They are sure-fire vote-getters. But if you can tell me that it is fair and equitable to have two men working side by side, both earning the same pay, one is frugal and saving and is able to pay for his own home, and under this proposed housing bill the frugal and industrious worker not only will pay for his own house but will be forced to pay, in taxes, for the house of his fellow worker who may not have been as frugal and industrious as he might have been.

This is a radical departure from anything ever before undertaken by Congress in the public-housing field. The heart and core of this legislation is subsidized Federal housing.

The money the Federal Government will dole out under this housing program has to be repaid. It will have to be repaid in taxes from the earnings of all our people, and if not in direct levies, then the people pay it indirectly in their cost of living, no matter what wage bracket they may be in. There is no such thing as free money.

Acceptance of the administration's housing program means a definite change in the American way of life. Certainly if one group or segment of our people are entitled to low-cost housing, then all people in certain brackets should be entitled to low-cost housing.

So it can be readily seen that once this program is established and the Federal Government contracts to build a certain number of houses, under the demand of public pressure the program will be increased and it may run into many billions of dollars before you are through.

Everybody seems to think they are getting something for nothing. That is a snare and a delusion.

I thought we were pretty well cleaned up with this type of program and that we were getting down to sound, clear thinking. Back in the early days of the New Deal we had political and economic planners; then we had the NRA and the WPA and the PWA. And we had planned economy and planned scarcity. You all recall the days when we converted young hogs into fertilizer, distributed the fertilizer to the farmer to increase the yield and then plowed it under.

We had youth movements, flagpole sitters, ballet dancers, and goldfish swallowers.

The waste throughout this entire emergency program was colossal and practically none of the projects were of such

a nature that they might bring a reasonable return from which taxes later could be realized to apply against the mounting debt of the country. For the most part they were simply vast, lumpish political projects designed to put men on the public pay roll. And as referred to yesterday, it became known as boondoggling. Maybe some of them were good projects, but on the whole it was known as boondoggling, and it was a good name for them.

Then the war came on and all the conceptions of new ideas were still with us and we then had the OPA and restrictions, regulations, and regimentations that nearly strangled the whole economic life of the Nation.

It gave bureaucracy a new lease on life and the New Dealers went to work with a vengeance. However, even that came to an end and the country still survived. The boys back in those days were like the Fair Deal crowd today. They were subsidy-minded—which has a great public appeal in some areas.

Nobody seems to bring to the attention of the House that we have a \$252,000,000,000 debt hanging over this country. Yet in the face of this situation, which should call for economy, balancing the budget, and getting our house in order to maintain the solvency of this country, and in the face of a critical world situation, we are figuring on spending \$16,000,000,000 more in subsidies.

Over the past several years we spent billions of dollars in subsidies. And I wonder if the people who are always crying for the veterans ever figure the billions we spent for subsidies several years ago that should have been paid as we went along, but didn't pay when our income was greater than it had ever been before. We had all kinds of subsidy programs. The people were getting high wages, had good incomes, yet we put subsidies on an already overburdened debt to pay for later. And who is going to pay? The boys who were over there fighting, had to come back and take off their coats and go to work to pay the taxes to pay for the money spent in subsidies that we should have paid for as we went along.

How long this Nation can continue to feed and finance not alone ourselves, but the world, is problematical.

Back in 1933 governmental expenditures totaled \$5,143,000,000. In 1934 they were \$7,100,000,000. And in 1939 the Government spent \$9,027,000,000. And this year we have a budget of approximately \$41,850,000,000 and Pennsylvania's share of that budget is \$3,251,440,000. This means \$309 for every man, woman, and child in Pennsylvania.

The reason the country is in the jitters today is because the folks back home don't know what Congress is going to do. Therefore, they cannot figure out what they can do, and the result is that the country is at a standstill because of the uncertainty of congressional action.

High taxes are a millstone around the necks of all our citizens. They stifle initiative. They are a drag upon production. They are a major factor in the cost of living because they enter into the cost of everything. And instead of reducing

taxes we are concocting formulas to increase taxes.

Every Member of this House knows how the people back home feel about taxes and they can be reduced if these programs are held in abeyance. If taxes were reduced the Federal Government would function more efficiently by eliminating waste and extravagance. Rather than create new formulas for spending, let us clarify those we already have on the books.

The history of the past few years is one of constantly increasing taxation and spending and through this the constant destruction of savings and continuous discouragement of private venture—the one sure way of providing jobs under our American system.

Therefore, I feel, under the circumstances, that this program should be deferred and I will vote against it.

Mr. BOLLING. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, critics of proposed Federal aid to the housing of low-income families and the clearance of slums, in H. R. 4009 seem willing to ignore the fact that for the past 16 or 17 years the Federal Government has been very deeply involved in the housing field. They contend that the Government's effort to assist those that private enterprise is unable to serve is a scheme to undermine private enterprise itself. It might be well to remind ourselves, in line with the specific policy set forth in this bill, that main reliance in meeting our housing needs rests with private enterprise, the extent to which the Government has already gone to aid and underwrite the private housing industry in doing that job. It far exceeds anything contemplated for low-income families in this legislation.

What the Government has done in a little more than 15 years to assist private enterprise may surprise you.

It has engaged directly in programs of financial support and assistance to private housing that involved financial commitments totaling more than \$23,000,000,000. And that sum does not cover a much larger area of private operations which indirectly have been aided by these Government private-aid programs. Indeed, if you cover all the private operations and assets that benefit from Federal housing programs, your total will exceed \$40,000,000,000 over a period of 17 years or less. And most of these programs are continuing and increasing and year after year are adding to the potentialities and the profitable operations of the private industry.

In support of these figures a breakdown of the major Federal housing programs will be illuminating. This breakdown, which I submit for the Record, includes the following major items of aid to private assistance.

Of direct benefit are these:

The amount of mortgage insurance written on private housing by the Federal Housing Administration since it was established in 1935, \$15,672,000,000.

The amount of GI home loans actually guaranteed by the Veterans' Administration under the GI bill of rights, \$3,840,000,000.

The Government's investment in housing through the refinancing of distressed home mortgages during the depression under the Home Owners Loan Corporation program, \$3,495,000,000.

Add to those major items a number of others of lesser amount and you find that the Federal Government's underwriting and refinancing operations in housing total more than \$23,000,000,000.

You can go on from there, for the amounts actually insured or guaranteed have made possible a larger amount of housing finance and home mortgage business as a result of these guarantees. In addition, a large volume of housing investment funds enjoy protection against loss from Federal insurance guarantees.

Major items that have been indirectly benefited and made possible through Federal programs are these:

Valuation of GI home loans over and above the portion listed above as guaranteed by the Government, \$4,178,000,000.

Estimated total valuation on FHA-insured home loans over and above the portion listed above as representing FHA insurance, \$3,000,000,000.

Investments in home savings and loans institutions insured against loss by the Federal Savings and Loan Insurance Corporation, \$8,259,000,000.

Advances to member institutions made under the Federal Home Loan Bank System for home financing, \$2,714,000,000.

All told, private housing has benefited directly or indirectly through Federal Government housing finance programs to a total amount of more than \$40,000,000,000 in a little more than a decade and a half. That seems to be an ignored and overlooked chapter to those who see in this program to assist low-income families to the extent of eight or nine billion dollars over 30 to 40 years, an effort of the Government to impair or destroy private enterprise in housing.

Mr. ELLSWORTH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I had not intended taking any time in this debate for it has seemed to me during these last few weeks that the facts regarding world conditions and our own financial situation were so self-evident as to need no elaboration. In this dark hour the remaining free peoples of the world have only one hope—only one powerful force with which they can align themselves to fight off dictatorship and servitude. An economically sound United States of America is that hope and that powerful force. There is no other. Unless the financial affairs of this Republic are so managed that we continue to be strong—not just for a while, but forever—the end of our economic strength and power spells the end of personal and political freedom in the world. If we fail, an era of servitude and darkness will ensue, which could last a hundred years.

Until recently I thought these things needed no explanation. But as I sit in this House day after day and see no slightest indication on the part of the majority in Congress, or on the part of the President, to cease or at least slow up our march toward national bankruptcy I am appalled.

I know that what I say here today will have little effect, if any, but I must speak out for to fail to do so would be to fail in my responsibility to the people who have sent me here to represent them.

We are considering a tremendous piece of legislation. It may pass. If so it obligates the Government to spend billions upon billions of dollars. I will not argue the point as to whether the sum be ten billions or twenty billions. Whatever the exact sum, it means taxes, taxes, taxes, for 40 years or more.

Will the passage of this bill do good? I assume so—but the total number of people to be benefited is pitifully small compared to the number in our low-income population group. An authority will select the lucky ones. I wonder how the unselected, the unlucky, millions will feel about their Government and how they will feel about the fortunate thousands. I expect the normal and human reaction of the unlucky people, who need better housing but who are not selected, will be to attempt to get in good with the selecting authority so that they will not be left off the list next time. Servitude is just around the corner.

But my remarks are directed to the broader problem. By the passage of this public-housing bill, by the miserable failure of this Congress to date to reduce the fantastically high cost of government, by the passing of other welfare-State spending legislation demanded by the President, we are lighting a fuze which may touch off a financial explosion that will blast free governments and personal freedom off the face of the earth.

Lincoln said:

If destruction be our lot we must ourselves be its author and finisher. As a Nation of freemen, we must live through all time, or die by suicide.

Not only are we looking down the barrel of a suicide gun today, but in destroying ourselves we also murder freedom for the world.

The help we have given the unfortunate people of western Europe is more than just material aid—although we are doing a great deal of that. Only two great powers remain in the world—our United States and the Russian Government. Not only do we compete in power but, more important, we represent the cause of freedom whereas they represent the cause of communism, dictatorship, and servitude.

The people of Europe are caught between two great forces but they choose to align with us. They do this first because they believe in our philosophy of government and, secondly—but very important—they believe in our ability combined with their own to protect and defend the way of freedom. If we fail ourselves, we fail them and all that we and they have fought for. They must then turn toward communism.

It is not too late for this Government to come to its senses. But I have a strong belief that if we pass this bill today or tomorrow we shall be lighting the fuze for the destruction of freedom

in the world as the result of an economic explosion here.

Mr. PATMAN. Mr. Chairman, since the pending amendment is a perfecting amendment, I ask for a vote at this time.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 17, line 12, after the comma, insert "as amended."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 19, line 6, strike out all after the word "of" down to and including 276 (c) and insert "title 18 U. S. C., section 874, and of title 40 U. S. C., section 276c."

The CHAIRMAN. The question is on the committee amendment.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, in this title we should have two things in mind. One is that the bill repeals the provisions of the 1937 act, as amended, by striking out of that act certain provisions in section 10 (a) of the act, which provided that a comparable number of slum units should be demolished. That language made the United States Housing Act of 1937 a slum-clearance act. You will note that on page 66 of the committee report, under the Ramseyer rule, the language which provides for the demolition of slums is bracketed, which means of course that it is stricken from the act. In other words, that language is repealed.

On page 13 of the bill (H. R. 4009) we find that they do not even have to give consideration to the clearance of any slums, especially if the local governing body determines that the demolition thereof would reasonably be expected to create undue housing hardship in the locality. That is true up to July 1, 1951. Inasmuch, of course, as this is a long-range so-called social reform program predicated upon the housing shortage, it is reasonable to presume that no consideration whatsoever will be given to the demolition of any slum units or substandard units, at least until July 1, 1951. In addition to that, I call attention to the fact that nowhere in this bill is there any provision for the clearance of slums. Let me reiterate that. Anyone who calls this a slum-clearance bill may be misleading himself and his constituents; the record of the committee is full of testimony indicating that many good, patriotic organizations have been fooled into the belief that this is a slum-clearance bill.

Mr. Chairman, another point: If you will refer to page 18 of the bill you will find that there is specific provision for the blanketing into this program of the so-called surplus Federal real property, property owned by the Federal Government which is referred to in this section, what we have commonly called the Lan-

ham permanent housing which was built during the war. In the Lanham Act there was a provision which expressly provided that those projects should be sold or disposed of. This House passed a bill last year providing for the disposition of the Lanham permanents with very high veterans' preference assuring that they would be sold only to veterans and veterans' cooperatives. There is no such language in this bill. One of the reasons why Dillon Myers, who at one time was a public-housing administrator, was relieved of his position, was because he was encouraging the housing authorities, and municipalities, to reserve their Lanham projects—and there are 331,381 units in the Lanham permanents—for this purpose, so that they could be blanketed into this program.

Bear in mind that there is no slum clearance in this act, and if we adopt this provision we blanket those Lanham permanents into this program.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. PATMAN. Mr. Chairman, I ask for a vote on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 21, line 2, strike out "platted urban or suburban."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 21, lines 7 and 8, strike out the words "unplatted urban or suburban."

The committee amendment was agreed to.

Mr. SMATHERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMATHERS: Page 13, after line 16, insert the following paragraph:

"(d) No land for any project to be assisted under this title shall be acquired by the local public agency, except after public hearing following notice of the date, time, place, and purpose of such hearing published not less than 10, nor more than 20, days prior to the date of such hearing."

Mr. SMATHERS. Mr. Chairman, I appreciate the opportunity to be able to talk for just a moment on this bill. I have not heretofore had that opportunity. I also appreciate the fact that the members of the Banking and Currency Committee have spent much time on this bill and are fairly familiar with it and are anxious to get on. At the same time I would like to call their attention, with all due deference and politeness, to the fact that many of us on other committees are now just getting around to finding out what this bill is all about.

I have previously stated that I expect to support this bill, H. R. 4009. It is desirable legislation; it is necessary legislation. We want to provide slum clearance, we want to provide some public housing, but it is the intention of every one of us not to do injury to anybody.

None of us wants to place a burden on private business or on private builders; therefore this bill, H. R. 4009, should be amended in some respects and I believe with some advantage.

Mr. Chairman, the amendment which the Clerk has just read is a most inoffensive-sounding one; at the same time it is very important. I cannot claim for it any pride of authorship, because this amendment is already in the housing bill as passed by the other body. It merely provides that before any city commission can undertake a gigantic slum-clearance project there must be some public hearing held on that project before land is condemned and work started. There is nothing under the law today which requires any city commission to give notice of such hearing.

Most city governments are made up of a very few people. As a matter of fact, in my city there are five members of the city commission. In order to get a slum-clearance project under way all we would have to have is three members of that city commission, they would constitute a majority. Those three men could pass a resolution for a slum clearance which could be adopted without prior notice. They are able to decide and embark upon a giant slum-clearance project without hearings, they may decide where it is going, whose land will be condemned under the right of eminent domain and what type of slum-clearance project it will be. Certainly in ordinary considerations the city commission does what we think is proper; however, those of us in politics do know that under certain conditions three members of a city commission might be motivated by some political idea and they could in some unhealthy fashion decide to place a great slum clearance project on land that was not fitted therefor.

Mr. Chairman, the amendment I have offered should be adopted in order to give everyone who has an interest, and certainly those whose land is going to be taken under this act and who do not now under any construction of the law have a right to come in and be heard, should have an opportunity to appear in opposition. The most democratic and sacred right we have in this country is the right of the people who might be in opposition to have a chance to be heard. I therefore recommend to the Committee on Banking and Currency that it exercise its wisdom and give protection to the property owners in any city which the other body has already seen fit to give them.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. SMATHERS. I yield to the gentleman from Pennsylvania.

Mr. BUCHANAN. Is it not a likelihood that if hearings are advertised there will be a bidding up of the property in question?

Mr. SMATHERS. I do not believe so. I believe for the people to have the right to say where they want the slum projects to be, what kind of project it is to be that is more important than whether or not the cost of this thing might go up.

Mr. BUCHANAN. Is it not a fact also that before a project is erected it must

be approved by the local governing authority, which would be the city council in most instances?

Mr. SMATHERS. That is right.

Mr. BUCHANAN. The gentleman stated that a mere majority of three of the urban authorities in his city would have the final say, and it must meet with the approval of the city council?

Mr. SMATHERS. In a five-man city commission such as we have, three members of that commission, elected at the same time, maybe from the same organization, and upon an issue entirely foreign to a slum-clearance program, the same crowd of people, they would have the right to pick out vast areas, vast acreage, and say, "A slum-clearance project is going up here on this parcel" and nobody would have a right to offer any objection to it.

I hope the committee will accept the amendment.

Mr. MULTER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, no one doubts the good faith of the gentleman from Florida [Mr. SMATHERS] in offering this amendment, but I am sure that he has overlooked the fact that the entire scheme of this bill is to keep the Federal Government out of these local projects. There is nothing in the bill up to this point which permits the Federal Government to tell any locality, State, or municipality how it will proceed to clear its slums or to build its public housing. Here, for the first time, you come in with an amendment which is going to have the Federal Government come in and say how the State or the locality shall proceed to condemn their property or remove their slums or build their public housing. If you do it here you might just as well start with a full scheme of regulations so that the Federal Government will control and operate all of these local functions. You do not want that. All this bill is intended to do is to lay down a general policy of Federal aid to localities to do these things in accordance with local laws and local determinations. In my own State we have a very complete system of condemnation for slum clearance and otherwise. Here you are going to say that in my State, where we require 30 days' notice, that you must give not less than 10 nor more than 20 days' notice. Each locality should have its own regulations in accordance with its own local law, and we should not attempt to tell them how to do it or what their procedure should be.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Pennsylvania.

Mr. BUCHANAN. Would this not be an infringement on local governments to make their own determination in this regard? I believe the gentleman stated that it would be an infringement of the State's rights or local option features of the local authority.

Mr. MULTER. Very definitely.

Mr. SMATHERS. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Florida.

Mr. SMATHERS. Will the gentleman not admit that in condemnation pro-

ceedings the issue is not whether or not the Federal Government or the State or the city has the right to take the land, but that the only issue is the price of the land? Would the gentleman not further agree that there is no provision in this bill which guarantees to any State or locality, in matters of disagreement, the right to be heard, and that therefore it is possible for a mere majority of any city council to pick out a great area and put slum-clearance projects on it without anybody having the right to say anything about it?

Mr. MULTER. I cannot agree with the gentleman from Florida. Each locality must be permitted to proceed in accordance with its local laws and make its determination there. If you have any fault to find with the local authorities, then change your law.

Mr. SMATHERS. Will the gentleman not agree that at the time most city commissions were elected, it was never dreamed that they would have the authority to spend these billions of dollars to erect some giant slum-clearance project? They now have, by virtue of the Federal aid we are giving them, much more power, and many more rights.

Mr. MULTER. The gentleman from Florida is definitely wrong. Any State or locality that did not contemplate this program, cannot participate in it until they change their local laws. This is permissive legislation. We merely make the means available to the locality, providing they will change their laws so that they can participate in this program.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Texas.

Mr. PATMAN. Is it not a fact that since this language is in the Senate bill that it would be wise not to adopt this amendment and let it go to conference? Then, after fair consideration, if the conferees consider it in the public interest to adopt it, we can adopt it in conference.

Mr. MULTER. I think that would be a very happy way to dispose of the matter.

Mr. GAMBLE. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from New York.

Mr. GAMBLE. In what earthly way does this affect the Federal Government? This is a local thing, it is a local situation, it is a local operation. It has nothing to do in any way, shape, or manner with the Federal Government, as I see it.

Mr. MULTER. If the gentleman's point is that we should not have any such limitations in the Federal law as proposed by this amendment, I certainly agree with him.

Mr. GAMBLE. This puts a limitation on the local governments as to how they should operate, and I do not see that it affects the Federal Government in any way.

Mr. MULTER. No. This amendment would have this Congress legislate and tell the localities, the local legislatures, the State legislatures, the municipal legislatures, what they should do and how they should proceed. You are say-

ing that they should proceed on notice of not less than 10 or more than 20 days. In the gentleman's State and my State they require 30 days' notice.

Mr. GAMBLE. I think they should. I think there ought to be some rights.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on title I and all amendments thereto close at 3 o'clock.

Mr. WOLCOTT. Reserving the right to object, Mr. Chairman, may I ask how many amendments are pending on the Clerk's desk?

The CHAIRMAN. The Chair is advised that there are nine amendments to title I now pending on the Clerk's desk.

Mr. WOLCOTT. I think under the circumstances I will be forced to object. About a half-hour ago there were 15 amendments pending.

Mr. SPENCE. Mr. Chairman, I move that all debate on title I and all amendments thereto close at 3:15.

The CHAIRMAN. The question is on the motion offered by the gentleman from Kentucky.

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 114, noes 122.

Mr. SPENCE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. WOLCOTT.

The Committee again divided; and the tellers reported there were—ayes 145, noes 142.

So the motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. SMATHERS].

Mr. SIKES. Mr. Chairman, I offer a substitute amendment.

Mr. HERTER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HERTER. Some of the Members on this side have been waiting for 2 hours to offer amendments. Will the Chair kindly advise what the Chair will do in the division of the remaining time?

The CHAIRMAN. The Chair will state that as of this time only one amendment has been offered. The other amendments which were considered by the Committee up to this time have all been committee amendments. The Chair has recognized until this time only one Member to offer an amendment, the gentleman from Florida [Mr. SMATHERS]. The gentleman from Florida [Mr. SIKES], rises to offer a substitute for the amendment offered by the gentleman from Florida [Mr. SMATHERS]. The Chair will also state that under the terms of the motion just agreed to, debate on title I and all amendments thereto has been limited to 3:15.

At the time the motion was made the following Members were standing seeking recognition: Mr. SIKES, Mr. COLE of Kansas, Mr. FELLOWS, Mr. HERTER, Mr. PHILLIPS of California, Mr. KRUSE, Mr. HALLECK, Mr. REES, Mr. TOWE, Mr. WOLCOTT, Mr. O'HARA of Illinois, Mr. BIEMILLER, Mr. POWELL, Mr. MULTER, Mr. NICHOLSON, Mr. KEATING, Mr. BUCHANAN, Mr. KUNKEL, Mr. PRIEST, and Mr. SPENCE.

Mr. MARTIN of Massachusetts. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MARTIN of Massachusetts. The Chairman has read 21 names; 30 minutes has been allotted for further debate on this title. This means that any Republican can get but a minute and a half to present an amendment to the bill. Is that right?

The CHAIRMAN. The gentleman is approximately correct.

Mr. MARTIN of Massachusetts. I want the RECORD to carry that fact clearly.

Mr. SPENCE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SPENCE. How many Members are seeking recognition?

The CHAIRMAN. Twenty-one.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that each of the 21 have 2½ minutes to present his amendment and that the committee have 2½ minutes to oppose.

Mr. HALLECK. Mr. Chairman, reserving the right to object, I do so only to ask the Chairman to take my name off the list. When the first section of the next title is read, I will have something to say about the bill.

Mr. KLEIN. Mr. Chairman, reserving the right to object, I did not hear my name called; I was not on my feet at the time but I do want to oppose one of the amendments. May I claim the time relinquished by the gentleman from Indiana?

The CHAIRMAN. The gentleman, unfortunately, was not on his feet at the time the limitation of debate was voted. The Chair can recognize only Members standing seeking time when the agreement was entered into.

Mr. SPENCE. Mr. Chairman, I modify my request and ask unanimous consent that notwithstanding the motion just agreed to, that debate on title I and all amendments thereto conclude at 3:40.

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, that would be approximately 50 minutes; is that right?

Mr. SPENCE. Yes.

Mr. WOLCOTT. I wonder if the gentleman would amend his request to make it 50 minutes instead of 45?

Mr. SPENCE. No; I prefer to stand by the 45 minutes.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent that all debate on title I and all amendments thereto conclude at 3:40. Is there objection?

There was no objection.

Mr. SCUDDER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SCUDDER. My name was not called. I was standing. I have an amendment at the desk. I should like to have an opportunity to speak on the amendment.

The CHAIRMAN. The gentleman's name will be added.

The Clerk will report the amendment offered by the gentleman from Florida.

The Clerk read as follows:

Amendment offered by Mr. SIKES as a substitute for the amendment offered by Mr. SMATHERS: On page 13, after line 16, add a new subsection as follows:

"(d) The proposed low-rent housing projects have been approved by a majority of the qualified voters participating in a referendum conducted by the local governing body seeking assistance under title I of this act."

The CHAIRMAN. The gentleman from Florida is recognized.

Mr. SIKES. Mr. Chairman, I have no quarrel with the amendment offered by my distinguished friend the gentleman from Florida [Mr. SMATHERS]; I support all that he has said about the necessity for having local participation in the selection of sites for public housing projects. But I seek to go further; I do not feel that hearings will give the conclusive answer that we should have. Hearings are a step in the right direction, but they may or may not be completely informative. Before the kind of money authorized by this bill is spent here and yonder I think there should be a definite knowledge of the need for public housing in the respective communities. I submit that the people who live in the communities are the people who know whether or not there is a need. When they have voted on the question the record is there in black and white in a conclusive manner which cannot possibly be obtained through hearings.

I realize that under the provisions of the bill a referendum could be called by the local governing body, but I do not think permissive authority is enough. A referendum should be mandatory in all cases where public housing is proposed so that the people may state positively whether or not they see a need for housing under the provisions of this bill.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Florida [Mr. SIKES] to the Smathers amendment.

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 79, noes 92.

Mr. WOLCOTT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. SIKES.

The Committee again divided; and the tellers reported that there were—ayes 119, noes 117.

So the substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. SMATHERS] as amended by the Sikes substitute.

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 80, noes 85.

Mr. WOLCOTT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. SMATHERS.

The Committee again divided; and the tellers reported that there were—ayes 132, noes 132.

The CHAIRMAN voted "no."

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. HERTER].

Mr. HERTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HERTER: On page 9, line 12, strike out subsection (g).

Mr. FELLOWS. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. FELLOWS. Mr. Chairman, I ask unanimous consent that my time be given to the gentleman from Massachusetts [Mr. HERTER].

The CHAIRMAN. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. HERTER. Mr. Chairman, I am very grateful to the gentleman from Maine.

Mr. Chairman, the amendment I am offering is a very simple one, but it is a far-reaching amendment. It prevents the housing authorities from issuing tax-exempt securities. As far as I know in this entire debate there has been no reference whatever to the fact that this bill allows local housing authorities to issue tax-exempt securities in the amount of over \$7,000,000,000. That would mean a loss in revenue to the Federal Government of many hundreds of millions of dollars over a period of 40 years. The Federal Government itself cannot issue tax-exempt securities. It is forbidden from doing so by our public-debt act. Yet in this bill we are permitting certain entities of government that have no taxing power of their own, which are entirely artificial entities for a given purpose, to issue tax-exempt securities and in the issuance of such securities they circumvent the clear intent of Congress with regard to Federal tax exemption.

Mr. Chairman, we pretend that these securities that are issued by local housing authorities can stand on their own feet, as tax-exempt. They cannot. This bill provides for the payment of every cent of the principal and the interest on these bonds by the Federal Government. In other words, they are identical with Federal Government bonds, except for the fact that another entity issues them, because the Federal Government is guaranteeing them as to principal and interest, through the annual contributions that are made. In the bill those annual contributions have to be specifically pledged for that purpose.

Not only that, but on page 75 of the bill we allow national banks to invest in these securities, something which they would naturally like very much to do, because I can think of no nicer way of ducking Federal taxes than by the purchase of these particular securities.

Today there are only two large purchasers of tax-exempt securities. One is the rich man who is trying to evade his Federal taxes, and the other is the bank or similarly situated corporation that buys tax-exempts because it finds it can make a larger yield on these than it can by paying its taxes on taxable bonds.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. WHITE of Idaho. If national banks are permitted to buy these securities, will they become eligible for rediscout and the issuance of currency against them?

Mr. HERTER. Yes; I believe they do.

It will probably be argued that it will cost the Government under this bill something like \$35,000,000 a year, or more, if tax-exempts are not issued, in order to meet the principal and interest on these obligations.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. HERTER. Yes; I yield.

Mr. SPENCE. The power to tax is the power to destroy. Chief Justice Marshall said that in the case of *McCulloch* against Maryland.

Mr. HERTER. I am sorry. I did not yield to the gentleman to make a speech. If the gentleman has a question to ask, I will be glad to yield.

Mr. SPENCE. I just wanted to submit to the gentleman that the States can utterly destroy this program if they are permitted to tax it.

Mr. HERTER. This has absolutely nothing to do with State taxation. This deals only with Federal taxes.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. HERTER] has expired.

Mr. KUNKEL. Mr. Chairman, I ask unanimous consent that the time allotted to me may be transferred to the gentleman from Massachusetts.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KEATING. Mr. Chairman, I make the same request.

The CHAIRMAN. Is there objection to the request of the gentleman from New York [Mr. KEATING]?

There was no objection.

Mr. HERTER. Mr. Chairman, I was about to say, the argument might be used that it will cost the Federal Government more money to make up the principal and interest on these bonds if they are not tax exempt. In fact, in the hearings, at the time the \$400,000,000 a year was the figure agreed on for a million units, it was figured that it would cost the Federal Government \$45,000,000 a year more to service these bonds through the capital grants each year, if they were not tax exempt. That argument is entirely fallacious. It will certainly cost more, but I want to read to you a little simple arithmetic with regard to this matter.

The Bureau of the Budget and the President of the United States both said categorically that the capital contributions to be made under this bill are only to take care of the servicing of these notes, and are not a subsidy over and above that point. That just cannot be true. The reason for it is very simple. The total in notes for the low-rent housing that must be issued under this bill would amount to about six and one-half billion dollars to build 810 housing units, assuming the amendment to be offered will be carried. The amount that the Federal Government puts in against that, on the reduced basis which the committee will offer, is about \$12,300,000,000.

The cost of servicing these bonds is less than \$1,500,000,000, even if they were at 2½ percent; so there is a surplus of \$4,500,000,000 going out of the window somewhere in excess authorizations under this bill. There is accordingly plenty of money under the authorizations to take care of taxable bonds.

The United States Treasury has objected consistently to the issuance of tax-exempt bonds. Today we have exactly one issue of Federal tax-exempt bonds outstanding; that is the Panama bond that matures in 1960. It is selling on a basis of 1.1 percent at this moment, indicating that many people are buying it, buying it in order to escape Federal taxation. Consequently, we are by this provision—and I am sure the Committee on Ways and Means will agree with me—proposing to increase tax exemption in this country by 50 percent and give that tax evasion possibility to the rich and those who require it the least and take out of general circulation where it is needed most the venture capital that seeks refuge in this type of obligation.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. KUNKEL. If we adopt this tax-exemption feature in this particular instance we are absolutely sure to continue doing it in other cases and then we shall completely defeat the whole purpose of the public-debt act in trying to eliminate tax-exempt bonds; and that act was passed some years ago by the Congress.

Mr. HERTER. There is no question about it. These bonds are to all intents and purposes Federal bonds, and this is merely a dodge to get around the public-debt act which Secretaries of the Treasury, Republicans and Democrats, have insisted was necessary to maintain the normal tax structure, and we put that provision in the bill for the benefit of a small group of people. It seems to me that we should defeat this provision in the bill and then we ought to strike out the provision in section 5 (e) of the act of 1937.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. BUCHANAN] is recognized.

Mr. BUCHANAN. Mr. Chairman, I rise in opposition to the amendment.

The gentleman from Massachusetts in offering this amendment offers it to title I concerning the slum-clearance section. If you will turn to the House Report 590 in this bill on page 64 and I refer you to section 5 (e) of the United States Housing Act of 1937. The authority, including, but not limited to its franchise, capital, reserve, surplus, loans, income, assets, and property of any kind, shall be exempt from all taxation now or hereafter imposed by the United States or by any State, county, municipality, or local-taxing authority. Obligations, including interest thereon, issued by public-housing agencies in connection with low-rent housing or slum-clearance projects, and the income derived by such agencies from such projects, shall be exempt from all taxation now or hereafter imposed by the United States.

Mr. WHITE of Idaho. What page is the gentleman reading from?

Mr. BUCHANAN. It is on page 64 of the report.

Mr. HERTER. Mr. Chairman, will the gentleman yield for a short observation? Mr. BUCHANAN. I yield.

Mr. HERTER. The gentleman knows very well that the tax situation at the time the 1937 legislation was written was entirely different from the situation in 1949 when the Federal income tax offers an incentive to escape through these tax-exempt securities which was not offered in 1937.

Mr. BUCHANAN. I believe the gentleman is aware of the fact and will agree that the local housing authority bonds are of essentially the same character as almost any municipal or State bonds and have been exempt from Federal taxation.

This amendment if adopted would do nothing but increase the cost of financing the slum-clearance bonds over a period of years. I might say that the total amount is approximately \$1,000,000,000, and not the \$7,000,000,000 the gentleman referred to; so if you want to increase the cost of clearing the slums, then vote this amendment down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. HERTER].

The question was taken; and on a division (demanded by Mr. HALLECK and Mr. HERTER) there were—ayes 106, noes 129.

So the amendment was rejected.

Mr. SPENCE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE:

On page 18, in line 21, strike out the words "wages or fees" and insert in lieu thereof the word "salaries"; and on page 19, line 1, preceding the word "technicians", insert the word "and", and after the word "technicians" strike out the comma and the words "laborers, and mechanics."

On page 19, in line 2, after the word "involved", insert the following: "and shall also contain a provision that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (49 Stat. 1011), shall be paid to all laborers and mechanics employed in the development of the project involved."

On page 19, in line 3, strike out the word "may" and insert the word "shall."

Mr. IRVING. Mr. Chairman, I rise in support of the amendment offered by the distinguished chairman of the Banking and Currency Committee.

It is my firm conviction that the Department of Labor should be vested with the function of determining minimum wages for construction mechanics and laborers employed on slum clearance and low-cost housing work under the housing bill of 1949. This conviction is based upon the fact that the Labor Department has the know-how to do the job through the experience gained in administering the minimum-wage law applicable to Federal construction work which is known as the Davis-Bacon Act. My knowledge on this point is not theoretical but is based upon knowledge of the work of the Department in this field.

gained during my business career. I can think of no function of Government which more truly belongs in the Labor Department than the determination of minimum wages for mechanics and laborers. This is true regardless of whether the Federal Government is interested in the construction work directly, such as the construction of post offices, by means of grant-in-aid programs such as those under the Hospital Survey and Construction Act, and the Federal Airport Act, by guaranteeing loans for housing construction under the Federal Housing Administration program or as is proposed under the Housing Act of 1949, by a loan and subsidy program.

Mr. Chairman, the Congress has seen fit to vest the determination of minimum-wage rates for Federal construction work, for Federal grant-in-aid programs and for Federal Housing Administration housing in the Labor Department. I ask the question, Why should such a well-established policy be changed in enacting the Housing Act of 1949? No question is raised with regard to the determination of wage rates by the Labor Department for housing construction under the Federal Housing Administration program. Over 1,500 such cases have been processed by the Labor Department during the past year. The Federal Housing Administration program is administered by the Administrator of the Housing and Home Finance Agency and that same man is charged with the responsibility of administering the slum clearance and low-cost housing program under the Housing Act of 1949. So you have this result, Mr. Chairman. Wage rates for Federal Housing Administration work are and will continue to be determined by the Labor Department. However, when it comes to slum clearance and low-cost housing pursuant to the bill which we are considering, the Administrator would make his own wage-rate determinations. This, of course, would require the setting up of a new staff of employees to perform exactly the same type of work now done by experienced personnel in the Labor Department. Can you think of a greater duplication of effort? Not only that, but think of the cost involved. Therefore, Mr. Chairman, I sincerely urge that the amendment be adopted because the Labor Department is thoroughly experienced in making wage determinations, has done so for many years, and no reason exists why a new section should be set up in the Housing Agency to perform exactly the same type of work at great cost to the Government. In addition, it is my understanding that the amendment meets with the approval of the President because it is in line with his views on concentrating labor functions in the Labor Department.

Mr. SPENCE. Mr. Chairman, this amendment merely provides that the wages of laborers and mechanics on these projects shall be fixed by the Secretary of Labor. That is, the rates of pay shall be found and fixed by the Secretary of Labor.

This is in accordance with the Davis-Bacon Act, and all other Federal legislation. It is certainly the function of the Department of Labor, that has custody

of the statistics, to fix the wages of the laborers and mechanics on these projects. The Administration feels this is a proper amendment, since it would conform to existing legislation.

Mr. Chairman, I ask that the amendment be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. SPENCE].

The amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. COLE].

Mr. COLE of Kansas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of Kansas: Page 9, line 16, after the word "States", insert a new paragraph as follows:

"(h) No loan or grant shall be made pursuant to this title, subsections (a), (b), or (d), unless the Secretary of the Treasury certifies to the Federal Work Agency Administrator that the receipts of the Federal Government for the fiscal year in which such expenditure is proposed to be made will exceed all other expenditures of the Federal Government in such fiscal year by an amount equal to or exceeding such proposed expenditure."

Mr. TOWE. Mr. Chairman, I ask unanimous consent that the time allotted to me be transferred to the gentleman from Kansas [Mr. COLE].

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. COLE of Kansas. Mr. Chairman, when I was yet a young chap I wanted a football, but my father did not have the money to buy me a football. One day a rich uncle came to our house and I interrupted a theological discussion between my uncle and my father, and piteously asked for a football. Well, the result was that I got the football free because my rich uncle gave it to me.

Mr. Chairman, many of us in Congress believe we have a rich Uncle Sam who will provide things for us free. By this bill the Congress attempts to tell the people of America that perhaps this program will not cost them anything. Under the provisions of this bill the Committee on Appropriations is circumvented and the Administrator promoting the program has the right to borrow from the Secretary of the Treasury. The Secretary of the Treasury, in turn, need not require the laying of an additional tax burden upon the people; he might borrow from the people. In other words, it might not require an additional tax levy at this time in order to continue this program. The additional taxes will be merely postponed.

But, Mr. Chairman, in connection with the amendment which I have presented is that as long as this country is operating at a deficit, that this program shall not be put into effect. So, if you want the program and if you want to pay for it, all you need to do is to vote an additional tax increase in order that you may have it. In other words, if you want it, let us pay for it. Let us be honest about what we are doing; let us not saddle upon the future generations additional debt burdens which will be

more and more and more difficult for them to bear and to pay, and finally at long last bankrupt this country.

Mr. Chairman, today this country owes a \$250,000,000,000 debt. Upon that we are going to add the cost of this program, and of other programs. Mr. Chairman, the President of the United States, in his social-welfare program alone, has proposed a program which will eventually cost \$1,250,000,000,000 in the next 50 years. All of that, Mr. Chairman, will be saddled in the future upon your children and grandchildren.

So, today I have offered an amendment that we cannot proceed with this program, this so-called low-rent housing and slum-clearance program, unless we are receiving as much money as we are paying out. It is a very simple amendment, and I hope that you will give it consideration.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas.

The question was taken; and on a division (demanded by Mr. COLE of Kansas) there were—ayes 106, noes 133.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, with interest I listened yesterday to the remarks of my friend and colleague, the distinguished gentleman from Kansas [Mr. COLE].

Serving with the gentleman on the committee, I have been charmed by his warm personality, but as a friend have wondered whether it was a service or a disservice that his faction of his party had done him in conferring upon him the distinction of leadership in the fight of his faction of his party against this bill to clean up the slums and provide good housing.

In the committee, as upon the floor of the House, and in the newspapers and on national radio hook-ups, the gentleman from Kansas has carried the brunt of the fight for his faction of his party. Whether the result of the elections of 1948, in which housing was a major issue, determined the change in faces and in names, or whether those who had been to the forefront against public housing in the Eightieth Congress did not wish for party reasons to clash too prominently with the members of their party which championed the housing bill in the Senate—Senator TAFT, Senator TOBEY, and others—I, of course, do not know.

But, whatever the reason, the distinguished gentlemen whose names were mentioned oftener in the campaign of 1948, in connection with the failure of the Eightieth Congress to act in the presence of an unprecedented housing shortage, have in this debate participated in less measure and have left much of the job to the distinguished gentleman from Kansas.

Therefore, what my friend and colleague from Kansas says must be accepted as a statement of the highest authority.

Every argument against this bill having been thoroughly and conclusively answered, the gentleman from Kansas

came into this well with what was left. He devoted his entire argument to placing the blame for the slums upon the unfortunate men, women, and children who live in those slums. He came with a picture of some painted-up, dolled-up houses in the slums and told us that everything in the slums could be just as nice and pretty if the women in the slums were better housekeepers and the men and children in the slums were tidier.

I listened with amazement as the gentleman from Kansas spoke. Here, indeed, was an acknowledgment from the high command of the faction of the Republican Party opposing this bill that there was no valid argument to be offered in opposition. Forced to the last wall, the gentleman from Kansas fired his final shot—at those unfortunate men, women, and children who live in the slums. They were to blame; they deserved nothing.

Might I suggest to the gentleman from Kansas that to paint a house does cost money for paint? Might I suggest that even a bar of soap costs money, and if my fingernails have no dirt under them it does not mean that my neighbor, living in the slums, has less desire to be well groomed, but just does not have the money to buy soap? Might I suggest that my neighbor's wife, living in the slums, might, indeed, be the best housekeeper in all the world if she had the pennies to buy the necessary household items and a lighter burden of cares and worries and work?

Mr. Chairman, I think this body will not accept the concept of the gentleman from Kansas. Most of us, I think, will join with Senator PAUL DOUGLAS in his conclusion in the current issue of Collier's:

The 15,000,000 or more Americans who live in the blighted areas are not inferior to the rest of us. They are only less fortunate.

I wonder if the gentleman from Kansas was speaking yesterday for the soul of a great State which in the yesterdays contributed as much, if not more, to the expanse of human understanding and contentment than any other State in the Union. I wonder if when the gentleman from Kansas was speaking yesterday, blaming the slums upon the unfortunate men and women and children who live in the slums, there came to his mind for one fleeting moment the thought of a great son of Kansas who wrote a book which, it is said, enjoyed a larger circulation than any book ever printed in the English language except the Bible—In His Steps, a story of what Christ would do if he were here with us today, sharing in the solution of our daily problems.

I want to think, and I do think and shall continue thinking, that the man from Kansas who wrote In His Steps, spoke the soul of Kansas and of us all.

There are slums because man has not always measured up to the command to love his neighbor as himself. There are slums because of many things to which we all contribute. And the men, women, and children who live in the slums demand our attention—unless we elect, in a sense of our superiority over the teach-

ings of the Christ we profess, not to follow in His steps.

I am glad the gentleman from Kansas [Mr. COLE], speaking with the authority of leadership, has clarified the issue.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS of California. Mr. Chairman, I offer an amendment.

The Clerk read, as follows:

Amendment offered by Mr. PHILLIPS of California:

On page 7, beginning line 19, strike out through line 11 on page 9 and insert in lieu thereof, the following:

"(e) to provide funds for loans under this bill, there is hereby authorized to be appropriated to the Administrator not to exceed \$25,000,000 for the fiscal year ending June 30, 1950, and additional sums not to exceed \$225,000,000 for the fiscal year ending June 30, 1951, and not to exceed \$250,000,000 for each of the fiscal years ending June 30, 1952, 1953, and 1954."

On page 9, line 12, strike out the letter "(g)" and insert "(f)."

On page 43, line 6, amend section 205 A, by adding at the end thereof a new sentence as follows: "No contract for contributions under this act shall hereafter be entered into by the Authority except following specific appropriation by the Congress of funds for the first year's annual contribution called for by such contract."

Mr. PHILLIPS of California. Mr. Chairman, the third section of this amendment is the important section and since it comes at page 43, I ask unanimous consent that the three sections may be considered together at the present time and voted upon together. The first two sections are only the corrective language which would follow if the final section were adopted.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILLIPS of California. The final section says that before these contracts are entered into, they shall be brought before the appropriate committee of Congress for approval. In other words, if we are to enter into long-term contracts for loans, or for the housing program, then, at least at the start, they should be brought to the Congress for approval and not completely bypass the constitutional provisions already discussed in the House.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. PHILLIPS].

The question was taken; and on a division (demanded by Mr. PHILLIPS of California) there were—ayes 119, noes 131.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. POWELL].

Mr. POWELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POWELL: On page 12, line 19, after "time", insert a new subsection:

"to give preference in the selection of tenants for the dwelling units built in the project area to families displaced therefrom because of clearance and redevelopment ac-

tivity, who desire to live in such dwelling units and who will be able to pay rents or prices charged other families for comparable dwelling units built as part of the same redevelopment."

Mr. SPENCE. Mr. Chairman, I reserve a point of order against the amendment.

Mr. POWELL. Mr. Chairman, this is a very simple amendment. It simply says that when you clear a slum, the people whom you put out will have the first chance to go back when the housing development has been completed. I think it is elemental and call for its passage.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. POWELL. I yield.

Mr. MARTIN of Massachusetts. I think the gentleman has made a very fine statement, and I agree with him.

Mr. POWELL. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SPENCE. Mr. Chairman, I withdraw the point of order and ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. POWELL].

The question was taken; and on a division (demanded by Mr. SPENCE) there were—ayes 199, noes 41.

So the amendment was agreed to.

The CHAIRMAN. Under the motion previously agreed to, all time for debate has expired. Members who desire to offer amendments may offer them at this time, without debate.

Mr. COLE of Kansas. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COLE of Kansas. Mr. Chairman, I have at the desk an amendment exactly in the same words as the amendment offered by the gentleman from New York [Mr. POWELL]. I ask that that amendment be withdrawn at this time.

The CHAIRMAN. Without objection, the amendment will be withdrawn.

There was no objection.

Mr. SCUDDER. Mr. Chairman, I offer an amendment which is at the desk.

The CHAIRMAN. The Clerk will report the amendment.

Mr. SCUDDER. May I speak on the amendment, Mr. Chairman?

The CHAIRMAN. No. Time for debate has expired, but the Clerk will report the amendment.

The Chair is informed that the amendment which the gentleman has at the Clerk's desk is to the next title, and therefore is not in order at this time.

Mr. BENNETT of Florida. Mr. Chairman, I have an amendment very similar to the amendment offered by the gentleman from Florida [Mr. SMATHERS] except that it deletes any time provision. In other words, it provides for a general public hearing but it does not require it to be mandatory, and the decision binding. Would that amendment be in order at this time?

The CHAIRMAN. The gentleman may offer his amendment.

Mr. BENNETT of Florida. I offer the amendment, Mr. Chairman.

The Clerk read as follows:

Amendment offered by Mr. BENNETT of Florida: On page 18, after line 16, insert "No land for any project to be assisted under this title shall be acquired by the local agency except after public hearing and following notice of the date, time, place, and purpose of such hearing."

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 128, noes 128.

Mr. SIKES and Mr. WOLCOTT demanded tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. BENNETT of Florida and Mr. PATMAN.

The Committee again divided; and the tellers reported that there were—ayes 167, noes 164.

So the amendment was agreed to.

Mr. SPENCE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE:

On page 24, following line 17, add a new title II reading as follows:

"TITLE II—AMENDMENTS TO NATIONAL HOUSING ACT

"SEC. 201. The National Housing Act, as amended, is hereby amended—

"(1) by striking out of the first sentence of section 2 (a) 'July 1, 1949' and inserting in lieu thereof 'September 1, 1949';

"(2) by striking out of the proviso in section 203 (a) '\$4,000,000,000' and inserting in lieu thereof '\$5,300,000,000' and by striking out of such proviso '\$5,000,000,000' and inserting in lieu thereof '\$5,500,000,000'; and

"(3) by striking out of the second proviso in section 603 (a) 'June 30, 1949' in each place where it appears therein and inserting in lieu thereof 'August 31, 1940.'"

And renumber title II, title III, title IV, and title V as title III, title IV, title V, and title VI, respectively; and renumber the sections in said titles accordingly.

Mr. SPENCE. Mr. Chairman, this amendment extends title I—

Mr. WOLCOTT. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. Do I understand that this is an amendment to title I?

Mr. SPENCE. Title I of the National Housing Act.

Mr. WOLCOTT. The gentleman said it was an amendment to title I.

Mr. SPENCE. It extends title I of the National Housing Act for 60 days after its expiration. It extends section 608, title VI, for 60 days.

Mr. WOLCOTT. Mr. Chairman, a further parliamentary inquiry. Is it an amendment to title I of H. R. 4009?

Mr. SPENCE. No.

The CHAIRMAN. It is an amendment preceding title II.

Mr. WOLCOTT. Then the amendment is open to debate.

The CHAIRMAN. The gentleman is correct.

Mr. SPENCE. This is an amendment to stimulate private enterprise. There has been a general demand for the extension of title I and section 608 of the National Housing Act. There has also been a general demand for an

increase in the authorization of insurance in title II. This amendment extends for 60 days title I and section 608 of title VI of the National Housing Act in order that the committee may study the necessity for the further continuance of these two titles with a view to bringing in a bill for that purpose.

This demand has been made generally by the builders and the people interested in construction in the United States, and I know it meets with general approval. It means a stimulation of private enterprise.

Title I of the National Housing Act provides for insurance of remodeling, repairs, and improvements, and the construction of the smaller homes, and the insurance of these homes up to \$4,500, which would be a \$5,000 home.

Title VI is the rental housing provision, under which all of the rental housing under FHA is now being built.

Title II is permanent legislation, but the authorized insurance has about been exhausted. Unless there is increased authorization the functions under title II will cease, I am told, in the near future. Therefore, we have provided for an increase in the insurance authorization in title II of \$500,000,000, in order that it may continue to function to stimulate private enterprise in the future as it has in the past.

As I said, title I and title VI expire on June 30, and will cease at that date if this amendment or similar legislation is not passed.

Mr. Chairman, I ask for a vote on the amendment.

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to ask my esteemed chairman, the gentleman from Kentucky, whether the other body has not already acted on the substance of his amendment in Senate Joint Resolution 109.

Mr. SPENCE. I think it has, and that would be an assurance that they will agree to this bill.

Mr. WOLCOTT. I do not know whether or not they will agree to the bill.

Mr. SPENCE. It is at least an assurance that the Senate is in favor of the provisions of the amendment.

Mr. WOLCOTT. I do not believe there would be any objection to the provisions of Senate Joint Resolution 109, which does what the gentleman offers to do in this amendment. I suggested yesterday to somebody, I have forgotten now who it was, that as far as I knew there was no objection to these amendments. There was no objection to the present consideration of Senate Joint Resolution 109. I feel very keenly the fact that the leadership should give consideration to taking up Senate Joint Resolution 109 because this authority expires on the 30th of this month. In all probability, the bill H. R. 4009 cannot clear this House and conference, even if it passes this House, and get back here in time to keep title I and title VI in effect. So I would suggest to the leadership that there would not be any objection if when we rise tonight they ask unanimous consent to take up Senate Joint Resolution 109.

I am sure there would be no objection to the consideration of it and in that way we send the matter directly to the President with assurance that there would be no postponement in the activities of the FHA with respect to titles I and IV. I do not see any particular objection to the amendment. There is no objection to the passage of Senate Joint Resolution 109.

I think we should have in mind that this law expires the day after tomorrow and there is no probability that we can get the bill, H. R. 4009, to the President before that time.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SPENCE. Placing it in this bill does not detract from Senate Joint Resolution 109. I do not see any objection to using both barrels of the gun. I am sure that this legislation will pass and that will end the matter.

Mr. WOLCOTT. I do not see any chance of it missing if Senate Joint Resolution 109 is taken up.

Mr. KEATING. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Has the gentleman from Michigan concluded?

Mr. WOLCOTT. Yes, Mr. Chairman.

The CHAIRMAN. The gentleman from New York will state his parliamentary inquiry.

Mr. KEATING. Mr. Chairman, I intended to offer an amendment as a last title to the bill which would extend titles I, II, and VI for a 1-year period and make financial provisions for that purpose. May I inquire of the Chair whether it would be in order to offer that amendment later or whether it must be offered now as a substitute for the pending amendment?

The CHAIRMAN. The Chair is unable to respond to the parliamentary inquiry, because the Chair has no idea of what the gentleman's amendment contains.

Mr. KEATING. Then, Mr. Chairman, for the sake of safety I shall offer my amendment now as a substitute for the pending amendment.

The Clerk read as follows:

Amendment offered by Mr. KEATING: Page 24, line 18, add a new title II reading as follows:

"TITLE II—AMENDMENTS TO EXISTING AIDS TO PRIVATELY FINANCED HOUSING

"SEC. 601. This title is designed to supplement and amend existing systems of mortgage insurance under the National Housing Act, as amended, and other existing Federal aids to privately financed housing, in order to bring such housing within the financial means of more of the people, including larger families. To this end the amendments provide incentives to produce more such housing at the lowest achievable capital costs by making available for such housing more liberalized financing which will reduce the monthly costs of housing.

"TITLE I AMENDMENTS

"SEC. 602. Title I of the National Housing Act, as amended, is amended as follows:

"(a) Section 2 is amended—

"(1) By striking out of the first sentence of subsection (a) thereof '1949', and inserting in lieu thereof '1950';

"(2) By striking out the last sentence of subsection (a), and inserting in lieu thereof

the following: "The aggregate amount of principal obligations of all loans, advances of credit and obligations purchased with respect to which insurance may be heretofore or hereafter granted under this section and outstanding at any one time shall not exceed \$1,200,000,000."

"TITLE II AMENDMENTS"

"Sec. 603. Title II of the National Housing Act, as amended, is amended as follows:

"(a) Section 203 (a) is amended by striking out the proviso '\$4,000,000,000', and inserting in lieu thereof '\$5,500,000,000', and by striking out '\$5,000,000,000', and inserting in lieu thereof '\$7,000,000,000'."

"(b) Section 203 (b) (2) (D) is amended—

"(1) by striking out '\$6,000' where it appears and inserting in lieu thereof '\$7,600';

"(2) by inserting the following new proviso after the first proviso thereof: 'And provided further, That with respect to single-family residences, which include more than two bedrooms, the principal obligation of the mortgage, as aforesaid, may be increased by an amount not to exceed \$1,000 for a third bedroom and a like amount for a fourth bedroom.'"

"(c) Section 203 (b) (3) is amended by striking out in the proviso the words 'twenty-five years' and inserting in lieu thereof 'thirty years', and by striking out the words 'thirty years' and inserting in lieu thereof 'thirty-five years', and by striking out the period at the end thereof and inserting a colon and the following additional proviso: 'And provided further, That the maturity of the mortgage shall not exceed the estimated period of the useful life of the property.'"

"(d) Section 203 is amended by adding the following new subsection at the end thereof:

"(g) No mortgage (i) covering a dwelling which is approved for mortgage insurance prior to the beginning of construction, or (ii) having as the mortgagor the initial occupant of the dwelling, shall be eligible for insurance under this section unless the principal contractor shall provide a warranty (and be liable for any breach of such warranty of which the contractor is notified within a period of one year following the completion of the dwelling), for the benefit of the mortgagor and of subsequent owners of the dwelling, at such time and in such form as shall be prescribed by the Administrator, against structural and other defects in construction, faulty materials, or workmanship, and any violation or breach of, or noncompliance with, any specifications, covenants, or conditions set forth in any of the construction contracts, or any technical standards of construction and design prescribed or approved by the Administrator: *Provided*, That the provisions of this section shall not be applicable to mortgages the application for insurance of which has been made prior to the date of enactment of this subsection."

"(e) Section 207 (c) (2) is amended—

"(1) by striking out '90 per centum' and inserting in lieu thereof '95 per centum' and by striking out '95 per centum' and inserting in lieu thereof '100 per centum.'"

"(2) by deleting from the second sentence thereof the words 'forty years' and inserting in lieu thereof the words 'forty-five years,' and by adding at the end of that sentence the following proviso: 'Provided, however, That the maturity of the mortgage shall not exceed the estimated period of the useful life of the property.'"

"(f) The following new section is added at the end of title II:

"Sec. 213. With respect to mortgages insured under section 203 (b) (2) (D) which involve a mortgage with a principal obligation of not to exceed \$8,000 (except that with respect to any single family residence which includes more than two bedrooms, the principal obligation of the mortgage may be increased by an amount not to exceed \$1,000

for a third bedroom and a like amount for a fourth bedroom) on a property purchased for occupancy by a veteran of World War II and his immediate family, no premium charge shall be made to any such veteran hereafter for the insurance of such mortgages under this title, but in the case of such mortgages, the premium that would otherwise be chargeable shall be paid into the insurance fund by the Administrator out of funds which are hereby authorized to be appropriated out of the Treasury in such amounts as may be necessary for such purposes."

"TITLE VI. AMENDMENTS"

"Sec. 604. Title VI of the National Housing Act, as amended, is hereby amended as follows:

"(a) Section 603 (a) is amended—

"(1) By striking out of the first proviso '\$5,750,000,000', and inserting in lieu thereof '\$6,150,000,000', and by striking out '\$6,150,000,000', and inserting in lieu thereof '\$6,650,000,000'."

"(2) by striking out of the second proviso 'June 30, 1949' in each place where it appears therein, and inserting in lieu thereof June 30, 1950."

"(b) Section 608 (3) is amended by adding the following proviso at the end of the second sentence thereof: 'Provided, That the period of amortization shall not exceed the period of the estimated useful life of the property, but in no event more than 45 years.'"

"(c) Section 609 is amended—

"(1) by adding the following sentence at the end of subsection (a) thereof: 'To achieve these objectives of modern mass production, the Administrator shall exercise his powers under the National Housing Act, as amended, in a manner which will assure uniformity and standardization in the requirements for mortgage insurance (except for variations required by climatic or other differences of geographical areas); and enable the necessary accumulation of a balanced inventory for mass production.'"

"(2) by adding the following proviso at the end of subsection (c) thereof: *Provided*, That in order to assure the continued availability of the proceeds of the loan until its scheduled maturity of 1 year, the Administrator may consent, at the time the loan is made, to the later assignment of additional purchase contracts in substitution for other purchase contracts or for the proceeds of the sales of houses delivered thereunder."

"(d) Section 611 (b) (3) is amended—

"(1) by striking out '80 per centum' from subparagraph (A) thereof and inserting in lieu thereof '90 per centum'; and

"(2) by striking out of subparagraph (B) thereof '\$6,000 or 80 per centum of the valuation, whichever is less, with respect to each single-family dwelling', and inserting in lieu thereof '\$8,000 or 90 per centum of the valuation, whichever is less, with respect to a single-family dwelling which includes two or less bedrooms, plus an amount not to exceed \$1,000 for a third bedroom and a like amount for a fourth bedroom.'"

"(3) by adding at the end of said section 611 the following new subsection:

"(e) In order to facilitate the marketing of mortgages insured under this section and to accomplish the purpose hereof to improve financing operations on large-scale construction or erection operations, the mortgage insured hereunder shall cover, during the construction period, all the dwellings and properties involved: *Provided*, That upon the completing of such construction, the mortgage covering such properties may be replaced by individual mortgages covering each individual dwelling and property involved; such individual mortgages may be insured under this section with the mortgagor being either the builder who constructed the dwellings or the owner and occupant of the property at the time."

"SERVICEMEN'S READJUSTMENT ACT AMENDMENT"

"Sec. 604. Section 500 of the Servicemen's Readjustment Act of 1944 as amended, is hereby amended by adding at the end of subparagraph (b) the following proviso: 'And provided further, That in the case of real-estate loans on housing the loan shall be payable during a period which will not exceed the estimated period of the useful life of the property (but in no event to exceed 30 years), and no loans on new housing construction started after the date of enactment of this amendment shall be guaranteed hereunder, unless the mortgagee certifies that the housing with respect to which the mortgage was made meets the construction standards prescribed for insurance of mortgages on the same class of housing under the National Housing Act, as amended.'"

Sec. 605. (a) Paragraph (E) of the proviso of section 301 (a) (1) of the National Housing Act, as amended, is amended by adding the following proviso at the end thereof: 'Provided, however, That in order to avoid further increases in interest rates on new construction of housing and to provide for necessary strengthening of the secondary market on mortgages on such housing, this second limitation on the percentage of mortgages which can be purchased by the Association from any one mortgagee shall not be applicable with respect to such mortgages on new construction as are insured under the National Housing Act, as amended, or guaranteed as insured under the Servicemen's Readjustment Act of 1944, as amended, after the date of the enactment hereof.'"

(b) Section 301 (a) of the National Housing Act, as amended, is amended by adding the following subparagraphs at the end thereof:

"(3) to utilize its powers to purchase insured or guaranteed mortgages, as aforesaid, with special emphasis on providing a market for mortgages with longer maturities and lower interest rates in order to encourage necessary reductions in the monthly costs of housing."

"(4) to make real-estate loans which are accepted for insurance under the provisions of the second proviso of paragraph (2) of section 207 (c) of this act."

The CHAIRMAN. The gentleman from New York is recognized in support of his amendment.

Mr. KEATING. Mr. Chairman—
Mr. WILLIAM L. PFEIFFER. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield.
Mr. WILLIAM L. PFEIFFER. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WILLIAM L. PFEIFFER. Mr. Chairman, on January 27, 1949, I, together with nine of my Republican colleagues in the House of Representatives introduced a housing bill. We did so because we believed that the general welfare of our Nation and the health and living standards of our people required housing production and related community development sufficient to remedy the serious housing shortage; the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization, as soon as feasible, of the goal of a decent home and a suitable living environment

for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the growth and wealth of our Nation. By introducing this bill, we were consistent with the pledge of the Republican Party platform of 1948 which said:

We recommend Federal aid to the States for local slum clearance and low-rental housing programs only where there is a need that cannot be met either by private enterprise or by the States and localities.

Our bill carried out this Republican Party platform pledge.

An attempt was made on the floor of the House yesterday to substitute our bill for the Administration's housing bill, H. R. 4009, but the substitute was defeated.

I believe that many of the features of our bill will be put into H. R. 4009 before we are called upon to vote on it.

I am firm in the belief that while private enterprise has done an excellent job in the past several years, the Federal Government must do its full share to alleviate the still acute housing shortage. By eradicating slums, we will curb juvenile delinquency, and better the health standards of the people who were forced to live in those areas by economic necessity.

In this belief, I am not alone, as the following list of organizations believe public housing is necessary: American Legion, Veterans of Foreign Wars, American Federation of Labor, Congress of Industrial Organizations, League of Women Voters, Congregational Christian Churches of the U. S. A., Council for Christian Social Progress of the Northern Baptist Convention, Women's Division of the Methodist Church, United Council of Church Women, Division of Social Education and Action, Presbyterian Church, National Council of Negro Women, National Board of the Young Women's Christian Association, National Conference of Catholic Charities, National Council of Jewish Women, National Association of Parents and Teachers, National Urban League, National Association of Rural Housing, National Farmers Union, International Association of Machinists, National Lutheran Council, American Veterans Committee, Jewish War Veterans, Amvets, United States Conference of Mayors, American Municipal Association, American Association of Social Workers, American Council on Education, American Home Economics Association, National Women's Trade Union League, National Association of Municipal Law Officers, National Federation of Settlements, American Council on Human Rights, Family Service Association of America.

In addition to the above names, I have received telegrams from Mayor Dowd, of Buffalo; Mayor Duffy, of Tonawanda; Mayor Rengueberg, of Lockport; and Mayor Rosinski, of North Tonawanda, urging that I support this public housing measure. To date, I have not heard from the mayor of Niagara Falls, although I have wired him on several occasions for his opinion.

Recently my attention has been drawn to several advertisements which appeared in local newspapers calling the housing bill political, un-American, bu-

reaucratic, and socialistic. They were paid for by the Committee Opposed to Public Housing, and upon investigation I found that the Committee Opposed to Public Housing consisted of a very small group of real-estate men and men engaged in the building industry.

Those who know me know that I would never vote for any measure that is un-American, bureaucratic, or socialistic.

I would like to point out that this bill passed the United States Senate on April 21, with 57 affirmative votes and only 13 votes were cast in the negative. Among the 57 Senators who voted for the bill were such distinguished men as SALTONSTALL, TAFT, VANDENBERG, IVES, and BREWSTER. A total of 24 Republican Senators in all voted for it. This cannot be considered as political with such bipartisan support.

The cost of this legislation has been greatly exaggerated, as the Bureau of the Budget has estimated that the actual complete cost would not exceed \$10,000,000 over a 40-year period. Compare that with a 4-year foreign-aid program which costs the taxpayers of our Nation \$17,000,000,000, almost twice the cost of our public housing program, which will be used to build critically needed homes for Americans.

I would like to point out also that the Government does not build public housing. Every public housing project is built by responsible private building companies who competitively bid for each contract assuring the lowest cost. Every dollar spent for public housing goes directly into private industry. Ten billion dollars' worth of orders for brick, cement, steel, lumber, plumbing and electrical goods, glass, and paint will flow into private industry. Hundreds of thousands of private jobs will be saved at a time when unemployment is approaching the danger point, and public housing can only be built in an area where the local authorities certify to its need.

I have felt that the people of my district who are overwhelmingly in favor of this program are entitled to the facts.

I intend to vote for this measure.

Mr. KEATING. Mr. Chairman, I assure the committee that it will not take as long to explain this amendment as it took the Clerk to read it. In summary, it is an amendment intended to furnish incentives and give what I feel is proper recognition to the efforts of our private building industry to meet the housing shortage in this country. I believe provisions of this general nature should be a part of any housing measure.

It had been my intention to offer this amendment at the end of the bill as a new title, but in view of the uncertainty of the parliamentary situation I feel now it should be submitted as a substitute for the proposal of the committee.

The committee has suggested an extension for 60 days of titles I, II, and VI of the National Housing Act, and for a provision of \$500,000,000 under title II to carry the mortgage insurance features for that 60-day period.

In substance, this substitute extends the act for 1 year instead of 60 days and makes the appropriate and necessary financial provisions to accompany such extension, as near as we can work them

out with the help that I had from experts who should know the subject. In this respect, it provides an additional \$200,000,000 to be available under title I, an additional \$1,500,000,000 to be made available under title II, and an additional \$400,000,000 to be made available under title VI. None of these, of course, involve any appropriation of funds.

It also liberalizes and enlarges the provisions of titles II and VI to do many of the things which private builders have emphasized are needed in order to enable them to make their contribution to an over-all housing program effective. For instance, the principal amount of mortgages which are eligible to qualify for mortgage insurance is increased. There is this new provision about a thousand dollars extra for additional third and fourth bedrooms.

The maturity of the mortgages eligible for insurance is extended for 5 years. There is a guaranty of construction by the contractor as a condition of eligibility. The period of amortization of the loans under title VI is extended from a discretionary period, which is now said to average 33 years, to 45 years, with the proviso that in no event shall the mortgage run beyond the estimated useful life of the property.

Then it has a very important provision in regard to the Servicemen's Readjustment Act which many of you have encountered, I feel sure. Under existing law, the Government is precluded from taking an assignment of these veterans' mortgages from any one mortgagee beyond one-half of those issued to any one bank or lending institution. This amendment removes that restriction, so that there is provided an additional secondary market for these loans under title VI.

The adoption of this substitute would go a long way toward reopening the market for these loans and would be a definite spur to the private building industry of this country.

One objection that may be made and has been made to extending the secondary market is that it might be abused. There is nothing in this that says the secondary market shall be so enlarged that the Government will take 100 percent of the loans. That would be unwise. Presumably responsible administrators never would do that. But the existing restriction of 50 percent is eliminated by this amendment.

Time does not permit further elaboration of the provisions of this amendment. The most important aspects were covered in my remarks yesterday in support of the Bolton substitute. While the concession made by the chairman of the Banking and Currency Committee is substantial and I am gratified that he and the members of his committee have become convinced of the necessity for a 60-day extension of the National Housing Act, his suggested amendment is only an inadequate stopgap. The opportunity is here presented through my substitute to incorporate in this housing legislation constructive provisions which have wide acceptance among those who recognize the seriousness of the housing problem, but are also solicitous about the encouragement of private enterprise

to meet the need to the very limit of its resources and capabilities.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman on behalf of the committee has offered as an amendment the pertinent points that are contained in Senate Joint Resolution 109 which passed that body quite recently. Believing that the offering of that amendment, if adopted and made a part of H. R. 4009, will have the effect of killing the possibility of the passage of Senate Joint Resolution 109 in June, I oppose his amendment. His action indicates the determination of the leadership not to pass Senate Joint Resolution 109 but to adopt this method of securing the passage of H. R. 4009 with that provision in it. I simply want to state I shall object to the passage of Senate Joint Resolution 109 by unanimous consent. The leadership may, if it sees fit, secure a rule on Senate Joint Resolution 109 or take a chance on its passage in the bill now before us. I like very much to have legislation presented properly so that the issue is clearly before us. The issue here is housing. It is not the extension of the provisions of law presently existing, as provided in Senate Joint Resolution 109.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Illinois.

Mr. CHURCH. I want to call the gentleman's attention to the fact that Thursday will be June 30 and Friday will be July 1. Now, it is understood that we are not going to have legislation on Friday, July 1. The chairman of the committee should be warned now he has time enough yet today to bring in Senate Joint Resolution 109, otherwise the benefit to thousands of veterans wanting loans will expire. This amendment cannot give life to Senate Joint Resolution 109. Does the gentleman from Kentucky [Mr. SPENCE] believe that those who have been lending money under existing law, but which law expires June 30, will take the chance of lending after June 30, unless the old law is reenacted, or its dates extended before the old law expires?

Mr. SIMPSON of Pennsylvania. It is perfectly obvious, I will say to the gentleman, that H. R. 4009 cannot and will not become law by July 1. The administration, by choosing this method of pretending to be for Senate Joint Resolution 109, is not being fair to the building public, to private industry, who do need those benefits. I urge the defeat of the amendment, and the passage of Senate Joint Resolution 109.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the substitute amendment.

Mr. Chairman, the substitute to the amendment amends almost the entire existing National Housing Act. It is involved. I doubt if any Member here, by the reading of that substitute, knows just what is in it. The FHA has been a very useful instrumentality. It has given stimulation to private enterprise. It has

worked well. It has been well drawn and carefully considered. Certainly, the House is not going to adopt a far-reaching amendment such as this without consideration, an amendment that fundamentally may change the operations of the FHA, and without an opportunity to study its provisions. The gentleman complains about the amendment which I have introduced. That amendment is simple. Every Member here knows what is in that amendment. But, I challenge them to tell us just what is in the amendment offered by the gentleman from New York, or how far there has been any real consideration for the adoption of that amendment or whether the people that have the duty of discharging the functions of this organization have ever been consulted. There have been no hearings. Certainly, the House does not intend to adopt a substitute so far reaching, and of such great effect, without any consideration at all.

Mr. Chairman, I ask that the substitute be voted down.

Mr. CHURCH. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I take this time to ask the chairman of the committee, Mr. SPENCE, this question: Referring to the amendment that the gentleman has just offered, does not that law expire June 30, which is Thursday of this week?

Mr. SPENCE. That has been said and reiterated and reiterated. It does expire on June 30.

Mr. CHURCH. If you place the extensions of those titles in this bill, and the bill is not signed before June 30, then would not the gentleman's amendment fail as the law sought to be extended will have already expired? In other words, does the gentleman believe you can extend an expired law?

Mr. SPENCE. Several times the expiration period has been passed before legislation has been adopted. It is effective from the date of the expiration. The Bible says, "Sufficient unto the day is the evil thereof." Do not worry about June 30. We will have some legislation.

Mr. CHURCH. We are dealing with law here now, not the Bible.

Mr. JAVITS. Mr. Chairman, I rise in support of the substitute amendment.

Mr. Chairman, we are here to see that not any one party or any one group arrogates to itself the mantle of responsibility for passing this legislation. We are here as legislators to see that we get a housing bill that is comprehensive and adequate to the need. I think it is very clear to all of us that if we pass this bill we will not be meeting the needs fully. We will still be leaving open a great area of activity which is filled by private enterprise in housing.

It has been our aim on this side of the aisle, as shown by the amendment proposed by my colleague from New York to the committee's amendment, to make this a comprehensive housing bill and to do at one time what so many of the Members who have spoken in favor of this bill tried to do for so many years in the well-known Taft-Ellender-Wagner bill. We do not believe that the cause of housing for the American people is being adequately served by acting in a partial way. We respectfully submit that it is acting

in a partial way by the 60-day amendments—I characterize them in that fashion—which have been offered by the committee with respect to the FHA mortgage titles. We believe it is acting in a comprehensive way by the substitute amendment offered by my colleague from New York.

We do not agree that absence of consideration of the substitute by the legislative committee is a proper objection. Our bills have been before the committee for 6 months now. I testified to the bill containing this title myself before the committee. The fact that the committee has given it no consideration, is not the fault of the House or of the Committee of the Whole, and the legislative committee must take its chances that the House may see fit now to legislate, even though the committee has not seen fit to consider the matter comprehensively.

Mr. LODGE. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Connecticut.

Mr. LODGE. May I point out to the gentleman that the chairman of the Committee on Banking and Currency has raised no substantive objection to the amendment offered by the gentleman from New York [Mr. KEATING]. His objection is based solely on the fact that there has not been adequate consideration of it. I should like to find out how we can possibly have bipartisanship on this issue if no Republican bill can ever receive consideration by the Committee on Banking and Currency.

Mr. JAVITS. I would express the hope that Members on both sides of the aisle, and I emphasize that, will look at this amendment objectively and will vote on it objectively in the interest of housing, bearing in mind that votes from both sides of the aisle will be needed to pass this bill finally.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from New York.

Mr. MULTER. I am sure the gentleman knows, as does the gentleman from Connecticut [Mr. LODGE], that there have been bills similar to this proposed substitute introduced by Members on both sides of the aisle. They have all been assured by the chairman of the committee, as we were all assured on the floor of the House, that all those bills will be called up for hearing by our committee and they will all be considered, as they should be considered, regardless of where they emanate from. In due time they will be presented to this House for further action. This issue should not be complicated with an attempt to make permanent temporary provisions of the National Housing Act. It is enough to take the suggestion of our chairman, I believe, that we extend for 60 days these provisions, and in that 60-day period we can consider making the legislation permanent.

Mr. JAVITS. As far as this issue is concerned, we are not trying to make it partisan at all. On the contrary, we have assured all people who are interested in housing that we are supporting housing as such. We ask for the support of this amendment solely on that basis.

I might say to the gentleman I and many other Members of the House have a deep affection for the chairman of the committee. I have learned to know him well. He has been wonderful to all of us. But the text of his assurance is too uncertain, and we do not feel that the assurances that we were given as to committee hearings, give any assurance that there will be passage of this particular title, as we have proposed it in this session of Congress when it is so urgently needed.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think we are arguing at cross purposes, which is unnecessary. Certainly there is no evidence of partisan consideration in the deliberations on this bill. Members honestly take positions in accordance with their views. I would hesitate to give way to any argument along the line that among those who favor this legislation on either side there is any sort of partisanship.

The gentleman from Kentucky, chairman of the committee, has stated that the question of the extension of titles I and VI and further legislation with reference to title II of the Federal Housing Act will be considered by his committee. We all know that the Committee on Banking and Currency is a very busy committee. I commend the Members, all of them, for the zealotness with which they performed their duties. But certainly there is no committee of the House busier than the Committee on Banking and Currency. We are all human, and as human beings there is just so much that can be done. The gentleman from New York [Mr. KEATING] has offered a substitute amendment. We all respect him. I cannot argue against the substitute because I do not know just how comprehensive it is and how broad a field it covers.

But it seems to me, in the light of the statement made by the chairman of the Committee on Banking and Currency, knowing that his word is his bond, all Members of the House can accept his statement that the committee will address itself immediately to the consideration of titles I and VI and such further consideration as may be necessary for title II.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HALLECK. It does seem to me it is quite obvious that the over-all bill which we are now considering and which will have to go to conference cannot be finally passed and sent to the White House, if it is to be sent, before the expiration date. Why would it not be in the interest of orderly procedure that when we get back into the House this afternoon unanimous consent be asked for the immediate consideration of Senate Joint Resolution 109, thus making sure that the extension is voted on and accomplished before the expiration date?

Mr. McCORMACK. I think the inference of the gentleman is correct with reference to the date of June 30. But certainly there is no immediate necessity for the extension legislation. There have been times when a law was about to expire and the intention was announced

to continue it and there was no disturbance in the continuance of the agency. I recognize there is logic behind the gentleman's suggestion, and also recognize there is logic behind the suggestion that this is a comprehensive housing bill and includes not only public housing and low-cost or slum-clearance housing, but the amendment offered includes private enterprise. I am sure my friend from Indiana is too astute and too practical not to recognize that if we pass one part, which relates to the stimulation of private enterprise, and which private business wants, then somewhere along the line, particularly in conference, when you have to take bills from the Speaker's desk by unanimous consent, and go through other parliamentary maneuvers, there might be a serious danger to the bill reported out of committee, and now pending.

So there is no harm done in the method employed by the committee and by the chairman of the committee who is following the instructions of the Democratic caucus, not of a partisan nature, but to strengthen the bill.

There is no danger going to happen to a continuance of activities. From the angle of those who support the bill, the amendment offered by the gentleman from Kentucky is a stimulating and constructive influence. The fact that those who oppose the bill suggest the other method should prompt those of us who support the bill to view it not from the angle of the high motives probably intended by those who offer the suggestion, but from the human angle of just a little justifiable suspicion.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has expired.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended for two additional minutes.

The CHAIRMAN. Is there objection? There was no objection.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Yes, I yield.

Mr. HALLECK. I just wanted to see if the gentleman from Massachusetts would not join with me in assuring everyone that in the event the amendment offered by the gentleman from Kentucky [Mr. SPENCE] is adopted and included in this legislation, if some of us finally vote against the legislation it shall be understood that we are not opposed to the extensions contained in the Senate joint resolution.

Mr. McCORMACK. No. Of course, the gentleman from Indiana can always rely upon the fact that the Democratic leadership and the Democratic Party does what it ought to do.

May I ask my friend from Indiana, once a majority leader always a majority leader, and I thoroughly respect my friend, not only as a legislator but personally—may I ask my friend, assuming that we were to adopt his suggestion and separately pass title I and title VI, as provided in the Senate resolution, would the gentleman then vote for the bill that is now pending?

Mr. HALLECK. No.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has again expired.

The question is on the substitute amendment offered by the gentleman from New York [Mr. KEATING] to the Spence amendment.

The question was taken; and on a division (demanded by Mr. KEATING) there were—ayes 96, noes 140.

So the substitute amendment was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Kentucky [Mr. SPENCE].

The amendment was agreed to.

Mr. FULTON. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. FULTON: After title I, insert a new title:

"TITLE II

"There shall be no discrimination against any person because of race, color, religion, or national origin in the rental or occupancy of any housing constructed under the provisions of this act."

Mr. FULTON. Mr. Chairman, this is an amendment against discrimination, and this is a serious amendment at this time. We should have everybody on record and see just where he stands. This is not just a slim hope that there shall be no discrimination. We people in Pennsylvania, whom I am proud to represent here, have adopted this very provision in our own 1949 housing act. The wording is taken from section 4 (b) of the housing act of Pennsylvania, act No. 493 of the session of 1949 entitled "An act providing and regulating State assistance for housing including slum clearance and redevelopment, and making an appropriation of \$15,000,000."

The administration of Pennsylvania which sponsored this measure happens to be Republican, and our good Governor who signed it, happens to be a Republican, Gov. James H. Duff. We people in Pennsylvania on the Republican ticket said we were for slum clearance and housing, and that we were against discrimination of all kinds. We proved it by putting through the bill with the cooperation of the Pennsylvania Democrats—and pretty good Democrats they are, too. The bill in Pennsylvania was put through on a bipartisan basis, and included a provision that there should be no discrimination in the rental or occupancy of any of the units.

This situation is a little different than it was when an antidiscrimination amendment was previously offered in this body, or the other body, because the Members will remember that I have filed an FEPC bill and I sincerely want it and the present housing bill to go through.

It is also a great deal different because it has shown you that the Pennsylvania Republicans live up to their campaign promises; and, may I add, are able to deliver on antidiscrimination and slum clearance and housing.

The question now arises: Is the Democratic Party nationally able to deliver? Mr. Chairman, let us see if the Democratic Party can deliver.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. CHURCH. I intend to vote for the gentleman's amendment. If we are going to spend \$20,000,000,000 on a socialistic-housing program we might just as well have no discrimination. Is that the gentleman's belief? Does he agree with me?

Mr. FULTON. We should have no discrimination. The sooner we come up with a good solid vote that lines people up behind such a program, the better. I am proud of the Republican Party and of the Democratic Party in Pennsylvania for uniting to put this measure through.

Mr. KLEIN. Mr. Chairman, will the gentleman vote for this bill if this amendment does not carry?

Mr. FULTON. Yes; I will vote for the bill regardless of whether the amendment carries. But I think a lot less of people who stand up and say or intimate that if this amendment goes through that the Democratic Party cannot bear the burden of pushing it. And I cannot understand why some prominent Democrats and so-called liberals say to vote against it.

Mr. DEANE. Mr. Chairman, will the gentleman yield?

Mr. FULTON. Mr. Chairman, I decline to yield at this time.

I cannot understand why the Democratic organization asks you to vote against one of the principles the party stands for. Here is your chance to get both the principles—housing, with no discrimination. If we in Pennsylvania, a Republican State, can get slum clearance and public housing plus a ban on discrimination, I do not see why the great Democratic Party nationally cannot do the same.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. WHITE of Idaho. Is the gentleman familiar with the conditions here in Washington, D. C.?

Mr. FULTON. Yes; I have been through the slums here in Washington, D. C., and they are tragic. I went on a recent special trip that was scheduled on housing, to Philadelphia, and they had tragic slum conditions there. And I also went to New York and saw the terrible slum conditions there.

Mr. WHITE of Idaho. Is the gentleman familiar with the 2-mile-square area from the railroad tracks on one side to Sixteenth Street on the other, from the downtown business district up to Florida Avenue on the north, that great 2-mile-square area right in the heart of Washington that is inhabited almost exclusively by colored people? Does not the gentleman think that the colored race has a little bit the advantage by taking over these fine houses where the colored people have driven the whites out from the central part of Washington and taken a class of apartments and residences they never could have built themselves.

Mr. FULTON. I want to see the colored people of this country made grade A and class I citizens. We should not

envy them their good housing conditions, but encourage every citizen of every race to have good housing.

Mr. WHITE of Idaho. Does not the gentleman think that is being done in Washington?

Mr. FULTON. I am very proud of the progress of the colored people of the United States, including those of Washington.

Mr. DEANE. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from North Carolina.

Mr. DEANE. I wonder if the gentleman would not agree this is a move to really defeat the housing legislation now before us, and is not the gentleman's amendment the Bricker amendment which was voted down in the Senate?

Mr. FULTON. It is not the amendment that was voted down in the other body, and is intended to make this bill a real American housing act. My amendment is the exact provision taken from the present Pennsylvania housing statute sponsored by the Republican Party and passed in the 1949 session of the legislature and signed by the Republican Governor, James H. Duff. I am surprised to hear a Democrat make such an intimation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FULTON].

The question was taken; and on a division (demanded by Mr. FULTON) there were—ayes 127, noes 142.

Mr. HINSHAW. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. FULTON.

The Committee again divided; and the tellers reported that there were—ayes 130, noes 168.

So the amendment was rejected.

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS: On page 24, line 18, add to the new title II the following title III, as follows:

"TITLE III—PRIVATELY OWNED HOUSING FOR FAMILIES OF LOWER INCOME

"PURPOSE

"SEC. 302. This title is not designed to supplant or alter any of the existing systems of mortgage insurance under the National Housing Act, as amended, but is to supplement such systems by a program of direct Federal loans at lower interest rates to meet the housing needs of lower-income families whose needs are now neglected. In providing liberalized credit to reduce the monthly cost of housing for such families, this title contemplates that the housing produced with this liberalized credit shall limit admissions to families whose incomes are below the level where they can afford to obtain housing currently made available under the FHA mortgage system or other existing aids to housing undertaken by private enterprise. The more liberal credit aids hereunder shall be combined with all proper incentives to cost reduction through the adoption of appropriate new materials, techniques, and methods and through increased efficiency in production and management and the elimination of unnecessary restrictive practices by all concerned in the complex building industry.

"HOUSING LOAN ADMINISTRATION

"SEC. 303. There is hereby established in the Housing and Home Finance Agency, under the Administrator thereof, a constituent unit to be known as the Housing Loan Administration with a Housing Loan Commissioner (hereafter referred to as the Commissioner) at the head thereof with the same salary as other Commissioners in the Housing and Home Finance Agency. The Housing Loan Commissioner shall carry out the functions, powers, and duties prescribed by this title. The powers and authorities conferred upon other Commissioners by section 502 of the Housing Act of 1948 are hereby granted to the Commissioner hereunder with respect to his functions under this title.

"LOANS TO COOPERATIVES AND NONPROFIT AND LIMITED-DIVIDEND CORPORATIONS

"SEC. 304. (a) For the purpose of assisting the development or acquisition of housing projects for families of lower income, the Commissioner may make loans to—

"(1) mutual-ownership or cooperative housing corporations undertaking projects which will be restricted in occupancy to members of such corporation;

"(2) nonprofit corporations; or

"(3) limited-dividend corporations or other housing corporations and redevelopment companies restricted by Federal or State laws, regulations, or contract, so as to conform to the requirements of this title and the regulations of the Commissioner issued hereunder as to rents, charges, capital structure, rate of return, and methods of operation.

"(b) Such loans shall not exceed the development or acquisition cost of such projects and shall bear interest at a rate not less than the going Federal rate of interest at the time the loan is made plus one-half of 1 percent. Such loans shall be secured in such manner as may be deemed advisable by the Commissioner and shall be repaid within a period representing the estimated period of the useful life of the property involved, but in no event to exceed 60 years.

"SEC. 305. The Commissioner shall issue such regulations and retain such rights as will assure that the housing developed or acquired with the aid of loans hereunder, will serve the low-income families as contemplated by this title and otherwise accomplish the purposes hereof. Every contract for a loan under this title shall provide that with respect to the housing to be developed or acquired with the aid of said loan—

"(a) The borrower shall fix maximum income limits for the acceptance of families for occupancy of such housing and that such maximum-income limits and all revisions thereof shall be subject to the prior approval of the Commissioner;

"(b) The families accepted for occupancy of such housing shall be limited to those whose net income at the time of acceptance does not exceed five times the annual rental or housing cost (including the value or cost to them of water, electricity, gas, other heating and cooking fuels, and other utilities) of the dwelling to be occupied by such families, except that in the case of families with two or more minor dependents, such ratio shall not exceed 6 to 1. In determining the net income of families, the Administrator may also authorize the exclusion of all or any part of the income of minor members of the family other than the head of the family and his spouse. For the purposes of this subsection, a minor shall mean a person less than 21 years of age;

"(c) In the case of any such housing on which construction is hereinafter initiated, the housing is to be developed in such a manner (1) that such projects will not be of elaborate or extravagant design or materials, and economy will be promoted both in construction and administration, and (2) that the average construction cost of the dwelling

units (excluding land, demolition, and non-dwelling facilities) in any such project is not greater than the average construction cost of dwelling units currently produced, in the locality or metropolitan area concerned, under the legal building requirements applicable to the proposed site, and under labor standards not lower than those prescribed in this act.

"LOAN FUNDS"

"Sec. 306. The Commissioner may issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury, in an amount not to exceed \$500,000,000 which limit on such outstanding amount shall be increased by an additional \$500,000,000 on July 1 in each year of the years 1950, 1951, 1952, 1953, and 1954, respectively. The Commissioner may increase or decrease the rate of making loans, depending upon a finding by the President after receiving the advice of the Council of Economic Advisers, that conditions in the building industry justify such increase or decrease, but such additional loan funds shall not exceed \$250,000,000 in any 1 year: *Provided*, That the total notes and obligations outstanding at any one time shall not exceed \$3,000,000,000 without further authorization of Congress. The notes and other obligations issued by the Commissioner shall be secured by the obligations of borrowers and shall be repaid from the payment of principal and interest on the obligations of the borrowers. The notes and other obligations issued by the Commissioner shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Commissioner with the approval of the Secretary of the Treasury.

"Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or obligations by the Secretary. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Commissioner issued hereunder and for such purpose is authorized to use a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public-debt transactions of the United States.

"Sec. 307. Any contract for loans pursuant to this title shall contain a provision requiring that the principal contractor involved at the site in the construction or erection of housing shall file a certificate or certificates (at such times in the course of construction or otherwise as the Commissioner may prescribe) certifying that the laborers and mechanics employed at the site in the construction or erection of the housing involved have been paid not less than the wages prevailing in the locality for the corresponding classes of laborers and mechanics employed on construction or erection of a similar character as determined or adopted by the Commissioner prior to the beginning of construction or erection of the housing involved.

"GENERAL PROVISIONS"

"Sec. 308. (a) In the performance of, and with respect to the functions, powers, and duties vested in him by this title, the Commissioner, notwithstanding the provisions by any other law, shall—

"(1) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended;

"(2) maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That the financial transactions of the Commissioner in the making of loans and vouchers approved by the Commissioner in connection with such financial transactions shall be final and conclusive upon all officers of the Government; and

"(3) make an annual report to the President, for transmission to the Congress, to be submitted as soon as practicable following the close of the year for which such report is made.

"(b) Funds made available to the Commissioner pursuant to the provisions of this title shall be deposited in a checking account or accounts with the Treasurer of the United States. Receipts and assets obtained or held by the Administrator in connection with the performance of his functions under this title shall be available for any of the purposes of this title, other than loans authorized pursuant to section 503, and all funds available for carrying out the functions of the Commissioner under this title (including appropriations therefor, which are hereby authorized), shall be available, in such amounts as may from year to year be authorized by the Congress, for the administrative expenses of the Commissioner in connection with the performance of such functions.

"(c) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Commissioner, notwithstanding the provisions of any other law, may—

"(1) sue and be sued;

"(2) foreclose on any property or commence any action to protect or enforce any right conferred upon him by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale or project or part thereof in connection with which he has made a loan pursuant to this title. In the event of any such acquisition, the Commissioner may, notwithstanding any other provisions of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, dispose of, and otherwise deal with such project or part thereof: *Provided*, That any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

"(3) with respect to any real property acquired and held by the Commissioner under this title which had been subject to taxes immediately prior to its acquisition, the Commissioner shall make payments in lieu of taxes to the State or political subdivisions involved in an amount which shall approximate the taxes which would be payable upon such property in private ownership;

"(4) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as he may fix;

"(5) obtain insurance against loss in connection with property and other assets held;

"(6) subject to specific limitations in this title, consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, or any other term, of any contract or agreement to which he is a party or which has been transferred to him pursuant to this title; and

"(7) include in any contract or instrument made pursuant to this title such other

covenants, conditions, or provisions as he may deem necessary to assure that the purposes of this title will be achieved.

"(d) The Commissioner shall make available to eligible borrowers technical and other assistance which they may require in the initiation, development, and administration of their project.

"(e) Section 3709 of the Revised Statutes shall not apply to any contract for services or supplies on account of any property acquired pursuant to this title if the amount of such contract does not exceed \$1,000.

"VETERANS' PREFERENCE"

"Sec. 309. Every contract made pursuant to this title for loans to nonprofit or limited-dividend corporations and redevelopment companies for housing for lower-income families shall require that such corporation in selecting tenants shall give preference, as among applicants eligible for occupancy of the dwelling and at the rent involved, to families of veterans and servicemen (including families of deceased veterans and servicemen), where application for admission to such housing is made not later than 5 years after the date of the approval of this act, and that, as among applicants entitled to the preference provided in this subsection, first preference shall be given to families of disabled veterans whose disability is service-connected: *Provided*, That this shall not preclude a cooperative, otherwise eligible for a loan hereunder, from building and administering housing for its own veteran or nonveteran members. For the purposes of this section, the term 'veteran' shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term 'serviceman' shall mean a person in the active military or naval service of the United States who has served therein on or after September 16, 1940, and prior to July 26, 1947.

"DEFINITIONS"

"Sec. 310. When used in this title—

"(a) The term 'development' means any or all undertakings necessary for planning, land acquisition, demolition, construction, or equipment, in connection with the housing and nondwelling facilities involved. The term 'development cost' shall comprise the costs incurred by the borrower in such undertakings and their necessary financing (including the payment of carrying charges up to date when the project is completed and ready for occupancy), and in otherwise carrying out the development and initial occupancy of such project. Construction activity may include or be confined to the reconstruction, remodeling, or repair of existing buildings.

"(b) The term 'going Federal rate of interest' means, at the time a loan contract is made, the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) then specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more.

"(c) The term 'families of lower income' shall mean families whose net annual income at the time of acceptance for occupancy of housing assisted under this title does not exceed the limits prescribed pursuant to the requirement of section 305 hereof."

Mr. McCORMACK (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with, and that it be printed in the Record at this point.

Mr. JAVITS. Reserving the right to object, Mr. Chairman, my only purpose

in causing the provision to be read is that I do not want to deal with it tonight. I understand the Committee is about to rise, and if we can agree that it will be dealt with tonight, I do not want the amendment read tonight.

Mr. McCORMACK. We have an agreement that title II will be considered as read, and then we will rise and go over until tomorrow.

Mr. JAVITS. If the gentleman will make that consent request, I will be satisfied, if this amendment, as well as title II, is considered tomorrow.

Mr. CANFIELD. Reserving the right to object, Mr. Chairman, does this amendment embrace the proposition sponsored in separate bills by 22 Democratic Members of the House and 20 Members on this side of the aisle?

Mr. JAVITS. It does; by 10 Members on this side of the aisle, however.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Chairman, I do not want the gentleman from New York to proceed under a misapprehension. The gentleman clearly stated that there was a condition that if the Committee rose and considered his amendment tomorrow he would be satisfied. I cannot permit my consent request to be agreed to unless the gentleman from New York is in complete agreement, because he did put a proviso on it. I did not agree to that proviso, that we would rise and let his amendment be pending tomorrow. Therefore, Mr. Chairman, I ask unanimous consent that the granting of my previous request be vacated so that the gentleman will be in status quo.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. JAVITS. Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Chairman, I think there are enough Members present in the Committee of the Whole this afternoon who are sufficiently interested in getting housing for the American people that at this time, 5 minutes after 5, they will demonstrate to the American people that at 5 minutes after 5 we are still bright, alive, working, and ready to stay here to do a job for them, and that we do not proceed on the axiom that any amendment which is proposed after 5 will have little consideration.

I hope that the House will give this amendment, which is an important amendment, a housing measure seriously put forth by 32 Members, 10 Republicans and 22 Democrats, serious consideration.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I cannot yield at the moment, but will yield as soon as I finish my statement. I know the question that the gentleman is going to ask me, and I will answer it.

This amendment seeks to introduce into this bill now before the House the principal title which was in the substitute amendment proposed by the gentleman from Ohio. I believe an important consideration in the defeat of that substitute in the way it was defeated, I am sorry to say, by a vote dividing strictly along partisan lines, was the fact that for some reason or other it was not desired that the public-housing and slum-clearance provisions also contained in that substitute should be adopted at the same time, but that rather they should be an outgrowth of the administration bill. So I have offered this amendment at this time, as a completely separate title, so as not to interfere at all with the claiming of credit for public housing or slum clearance. I have introduced as a completely separate title this one-unit issue: Shall we or shall we not write a comprehensive housing bill at this time which will take into consideration the needs not alone of the 20 percent of the American people who are in the low-income groups, but of 40 percent of the American people who need housing; the 20 percent in the low-income groups and the 20 percent in the middle-income groups earning on an average \$3,500. That is a unit question and I must say that it is significant that a very substantial number of Members who have been very prominently identified with housing, on the other side of the aisle, have introduced this very same proposal in separate bills.

What is it all about? We did not have very much discussion in connection with the Bolton substitute amendment. Although the committee says that they did not consider it, and I assume that the committee did not, I repeat I testified to this specific bill under this specific title before the committee sometime early in the spring, that is, before the Committee on Banking and Currency. I think the least we can do in fairness to the views of some 32 Members of the House, is to consider what it contains. This title proposes that Federal credit shall be utilized, Federal credit being available at the going Federal rate of interest plus one-half of 1 percent, or now at about 3-percent interest rate, for the purpose of making very long-term loans of as much as 60 years, in view of the type of construction involved, in order to finance the construction essentially of multi-unit housing by co-operatives, veterans' organizations, limited-dividend companies, or redevelopment companies or by other nonprofit corporations. It is the one way that many men of good will who have tried to think this subject through very carefully, it is the one way that they have been able to devise in order to bring the cost of construction down so that rentals might be brought within reach of the family which is not eligible for public housing which, as I said many times before, has no interest in, or desire for public housing. In view of construction costs today, plus the carrying charges, even of FHA mortgages which run in the area of 4½ percent or 5 percent interest for terms of around 25 and 35 years, those conditions just make it impossible for lower middle-

income families to enjoy the benefits of new housing construction.

This strikes most heavily at the veteran. There has been an enormous amount of sentiment on the floor of the House for the veterans' homestead bill. It has been proposed by a good many Members and it has been very seriously considered. This title I now propose expresses in different words, but comes through with the same effect and has the impact of that bill. This title provides \$500,000,000 a year for 6 years for these direct long-term loans at very low interest rates. Under this program it is anticipated that the rental of a four-room apartment can be brought down from the present \$90 and more for new construction to \$55 to \$65 per month.

It is very significant that whenever the Government undertakes a program of aiding housing in this fashion, notably through the HOLC, the Home Owners' Loan Corporation, and the FHA, the Government not only has not lost money but made money.

I hope the Committee of the Whole will consider this problem objectively and will enact this title in order to give us at long last a comprehensive housing bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 48, noes 136.

So the amendment was rejected.

The Clerk read as follows:

TITLE III—LOW-RENT PUBLIC HOUSING

LOCAL RESPONSIBILITIES AND DETERMINATIONS; TENANCY ONLY BY LOW-INCOME FAMILIES

SEC. 201. The United States Housing Act of 1937, as amended, is hereby amended by adding the following additional subsections to section 15:

"(7) In recognition that there should be local determination of the need for low-rent housing to meet needs not being adequately met by private enterprise—

"(a) the Authority shall not make any contract with a public housing agency for preliminary loans (all of which shall be repaid out of any moneys which become available to such agency for the development of the projects involved) for surveys and planings in respect to any low-rent housing projects initiated after March 1, 1949, (i) unless the governing body of the locality involved has by resolution approved the application of the public housing agency for such preliminary loan; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that there is a need for such low-rent housing which is not being met by private enterprise; and

"(b) the Authority shall not make any contract for loans (other than preliminary loans) or for annual contributions pursuant to this act with respect to any low-rent housing project initiated after March 1, 1949, (i) unless the governing body of the locality involved has entered into an agreement with the public housing agency providing for the local cooperation required by the Authority pursuant to this act; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that a gap of at least 20 percent has been left between the upper rental limits for admission to the proposed low-rent housing and the lowest rents at which private enterprise unaided by public subsidy is providing (through new construction and available existing structures) a substantial supply of decent, safe,

and sanitary housing toward meeting the need of an adequate volume thereof.

"(8) Every contract made pursuant to this Act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that—

"(a) the public housing agency shall fix maximum income limits for the admission and for the continued occupancy of families in such housing, that such maximum income limits and all revisions thereof shall be subject to the prior approval of the Authority, and that the Authority may require the public housing agency to review and to revise such maximum income limits if the Authority determines that changed conditions in the locality make such revisions necessary in achieving the purposes of this act;

"(b) a duly authorized official of the public housing agency involved shall make periodic written statements to the Authority that an investigation has been made of each family admitted to the low-rent housing project involved during the period covered thereby, and that, on the basis of the report of said investigation, he has found that each such family at the time of its admission (i) had a net family income not exceeding the maximum income limits theretofore fixed by the public housing agency (and approved by the Authority) for admission of families of low income to such housing; and (ii) lived in an unsafe, insanitary, or overcrowded dwelling, or was to be displaced by another low-rent housing project or by a public slum-clearance or redevelopment project, or actually was without housing, or was about to be without housing as a result of a court order of eviction, due to causes other than the fault of the tenant: *Provided*, That the requirement in (ii) shall not be applicable in the case of the family of any veteran or serviceman (or of any deceased veteran or serviceman) where application for admission to such housing is made not later than 5 years after March 1, 1949;

"(c) in the selection of tenants (i) the public housing agency shall not discriminate against families, otherwise eligible for admission to such housing, because their incomes are derived in whole or in part from public assistance and (ii) in initially selecting families for admission to dwellings of given sizes and at specified rents the public housing agency shall (subject to the preferences prescribed in subsection 10 (g) of this act) give preference to families having the most urgent housing need, and thereafter, in selecting families for admission to such dwellings, shall give due consideration to the urgency of the families' housing needs; and

"(d) the public housing agency shall make periodic reexaminations of the net incomes of tenant families living in the low-rent housing project involved; and if it is found, upon such reexamination, that the net incomes of any such families have increased beyond the maximum income limits fixed by the public housing agency (and approved by the Authority) or continued occupancy in such housing, such families shall be required to move from the project."

VETERANS' PREFERENCES

SEC. 202. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By adding the following new subsection to section 10:

"(g) Every contract made pursuant to this act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall require that the public housing agency, as among low-income families which are eligible applicants for occupancy in dwellings of given sizes and at specified rents, shall extend the following preferences in the selection of tenants:

"First, to families which are to be displaced by any low-rent housing project or by any public slum-clearance or redevelopment project, or which were so displaced within 3 years

prior to making application to such public housing agency for admission to any low-rent housing; and as among such families where an application for admission is made not later than 5 years after March 1, 1949, first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of other veterans and servicemen (including families of deceased veterans or servicemen);

"Second, to families of other veterans and servicemen (including families of deceased veterans or servicemen) where an application for admission is made not later than 5 years after March 1, 1949; and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected."

(b) By adding the following new subsection to section 2:

"(14) The term 'veteran' shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term 'serviceman' shall mean a person in the active military or naval service of the United States who has served therein on or after September 16, 1940, and prior to July 26, 1947."

COST LIMITS

SEC. 203. Subsection 15 (5) of the United States Housing Act of 1937, as amended, is hereby amended to read as follows:

"(5) No contract for any loan, annual contribution, or capital grant made pursuant to this act shall be entered into by the Authority with respect to any low-rent housing project completed after January 1, 1948, having a cost for construction and equipment of more than \$1,750 per room (excluding land, demolition, and nondwelling facilities); except that in the case of Alaska any such contract may be entered into with respect to a project having a cost for construction and equipment of not to exceed \$2,500 per room (excluding land, demolition, and nondwelling facilities): *Provided*, That if the Administrator finds that in the geographical area of any project (i) it is not feasible under the aforesaid cost limitations to construct the project without sacrifice of sound standards of construction, design, and livability, and (ii) there is an acute need for such housing, he may prescribe in such contract cost limitations which may exceed by not more than \$750 per room the limitations that would otherwise be applicable to such project hereunder. The Authority shall make loans, grants, and annual contributions only for such low-rent housing projects as it finds are to be undertaken in such a manner that such projects will not be of elaborate or extravagant design or materials, and economy will be promoted both in construction and administration. In order to attain the foregoing objective, every contract for financial assistance entered into with respect to any low-rent housing project initiated after March 1, 1949, shall provide that no award of the main construction contract for such project shall be made unless the Authority, taking into account the level of construction costs prevailing in the locality where such project is to be located, shall have specifically approved the amount of such main construction contract."

PRIVATE FINANCING

SEC. 204. In order to stimulate increasing private financing of low-rent housing projects, the United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) The last proviso of subsection (b) of section 10 is repealed, and subsection (f) of said section is amended to read as follows:

"(f) Payments under annual contributions contracts shall be pledged as security for any loans obtained by a public housing agency to assist the development or acquisition of the housing project to which the annual contributions relate."

(b) The following is added after section 21:

"PRIVATE FINANCING"

"SEC. 22. To facilitate the enlistment of private capital through the sale by public housing agencies of their bonds and other obligations to others than the Authority, in financing low-rent housing projects, and to maintain the low-rent character of housing projects—

"(a) Every contract for annual contributions (including contracts which amend or supersede contracts previously made) may provide that—

"(1) upon the occurrence of a substantial default in respect to the covenants or conditions to which the public housing agency is subject (as such substantial default shall be defined in such contract), the public housing agency shall be obligated at the option of the Authority, either to convey title in any case where, in the determination of the Authority (which determination shall be final and conclusive), such conveyance of title is necessary, to achieve the purposes of this act, or to deliver possession to the Authority of the project, as then constituted, to which such contract relates;

"(2) the Authority shall be obligated to reconvey or to redeliver possession of the project, as constituted at the time of reconveyance or redelivery, to such public housing agency or to its successor (if such public housing agency or a successor exists) upon such terms as shall be prescribed in such contract and as soon as practicable: (i) after the Authority shall be satisfied that all defaults with respect to the project have been cured, and that the project will, in order to fulfill the purposes of this act, thereafter be operated in accordance with the terms of such contract; or (ii) after the termination of the obligation to make annual contributions available unless there are any obligations or covenants of the public housing agency to the Authority which are then in default. Any prior conveyances and reconveyances, deliveries and redeliveries of possession shall not exhaust the right to require a conveyance or delivery of possession of the project to the Authority pursuant to subparagraph (1), upon the subsequent occurrence of a substantial default.

"(b) Whenever such contract for annual contributions shall include provisions which the Authority, in said contract, determines are in accordance with subsection (a) hereof, and the annual contributions, pursuant to such contract, have been pledged by the public housing agency as security for the payment of the principal and interest on any of its obligations, the Authority (notwithstanding any other provisions of this act) shall continue to make annual contributions available for the project so long as any of such obligations remain outstanding, and may covenant in such contract (in lieu of the provision required by the first sentence of subsection 15 (3) of this act) that in any event such annual contributions shall in each year be at least equal to an amount which, together with such income or other funds as are actually available from the project for the purpose at the time such annual contribution is made, will suffice for the payment of all installments, falling due within the next succeeding 12 months, of principal and interest on the obligations for which the annual contributions provided for in the contract shall have been pledged as security: *Provided*, That such annual contributions shall not be in excess of the maximum sum determined pursuant to the provisions of this act; and in no case shall such annual contributions be in excess of the maximum sum specified in the contract in-

involved, nor for longer than the remainder of the maximum period fixed by the contract.”;

(c) In the fourth sentence of section 9 the words “going Federal rate at the time the loan is made,” are deleted; in the first proviso of subsection 10 (b) the words “going Federal rate of interest at the time such contract is made” are deleted; and in lieu thereof in each case there are substituted the words “applicable going Federal rate”; and subsection 2 (10) is amended to read as follows:

“(10) The term ‘going Federal rate’ means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more, determined, in the case of loans or annual contributions, respectively, at the date of Presidential approval of the contract pursuant to which such loans or contributions are made: *Provided*, That for the purposes of this Act, the going Federal rate shall be deemed to be not less than 2½ percent.”;

(d) Section 9 is amended by striking out the period at the end of said section and adding a colon and the following: “*Provided*, That in the case of projects initiated after March 1, 1949, with respect to which annual contributions are contracted for pursuant to this act, loans shall not be made for a period exceeding 40 years from the date of the bonds evidencing the loan: *And provided further*, That, in the case of such projects or any other projects with respect to which the contracts (including contracts which amend or supersede contracts previously made) provide for loans for a period not exceeding 40 years from the date of the bonds evidencing the loan and for annual contributions for a period not exceeding 40 years from the date the first annual contribution for the project is paid, such loans shall bear interest at a rate not less than the applicable going Federal rate.”;

(e) Subsection 10 (c) is amended by striking out the period at the end of the last sentence and adding a colon and the following: “*Provided*, That, in the case of projects initiated after March 1, 1949, contracts for annual contributions shall not be made for a period exceeding 40 years from the date the first annual contribution for the project is paid: *And provided further*, That, in the case of such projects or any other projects with respect to which the contracts for annual contributions (including contracts which amend or supersede contracts previously made) provide for annual contributions for a period not exceeding 40 years from the date the first annual contribution for the project is paid, the fixed contribution may exceed the amount provided in the first proviso of subsection (b) of this section by 1 percent of development or acquisition cost.”;

(f) The first sentence of subsection 10 (c) is amended to read as follows: “Every contract for annual contributions shall provide that whenever in any year the receipts of a public housing agency in connection with a low-rent housing project exceed its expenditures (including debt service, administration, maintenance, establishment of reserves, and other costs and charges), an amount equal to such excess shall be applied, or set aside for application, to purposes which, in the determination of the Authority, will effect a reduction in the amount of subsequent annual contributions.”;

(g) Section 14 is amended by inserting the following after the first sentence: “When the Authority finds that it would promote economy or be in the financial interest of the Federal Government, any contract heretofore or hereafter made for annual contributions, loans, or both, may, with Presidential approval, be amended or superseded by a contract of the Authority so that the going Federal rate on the basis of which such an-

nuual contributions or interest rate on the loans, or both, respectively, are fixed shall mean the going Federal rate, as herein defined, on the date of Presidential approval of such amending or superseding contract: *Provided*, That contracts may not be amended or superseded in a manner which would impair the rights of the holders of any outstanding obligations of the public housing agency involved for which annual contributions have been pledged.”;

(h) Section 20 is amended to read as follows:

“SEC. 20. The Authority may issue and have outstanding at any one time notes and other obligations for purchase by the Secretary of the Treasury in an amount not to exceed \$1,500,000,000. Such notes or other obligations shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Authority with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or other obligations by the Authority. The Secretary of the Treasury is authorized and directed to purchase any notes or other obligations of the Authority issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.”;

(1) Subsection 2 (5) is amended to read as follows:

“(5) The term ‘development’ means any or all undertakings necessary for planning, land acquisition, demolition, construction, or equipment, in connection with a low-rent housing project. The term ‘development cost’ shall comprise the costs incurred by a public housing agency in such undertakings and their necessary financing (including the payment of carrying charges, but not beyond the point of physical completion), and in otherwise carrying out the development of such project. Construction activity in connection with a low-rent housing project may be confined to the reconstruction, remodeling, or repair of existing buildings.”;

(j) The following additional subsection is added to section 15:

“(9) Any contract for loans or annual contributions, or both, entered into by the Authority with a public housing agency, may cover one or more than one low-rent housing project owned by said public housing agency; in the event such contract covers two or more projects, such projects may, for any of the purposes of this Act and of such contract (including, but not limited to, the determination of the amount of the loan, annual contributions, or payments in lieu of taxes, specified in such contract), be treated collectively as one project.”

ANNUAL CONTRIBUTIONS

SEC. 205. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By inserting the following after the first sentence of subsection (e) of section 10: “With respect to projects assisted pursuant to this act, the Authority (in addition to the amount authorized by the first sentence of this subsection) is authorized, with the approval of the President, to enter into

contracts, on and after July 1, 1949, for annual contributions aggregating not more than \$85,000,000 per annum, which limit shall be increased by further amounts of \$80,000,000 on July 1 in each of the years 1950, 1951, and 1952, respectively, and by \$75,000,000 on July 1, 1953: *Provided*, That (subject to the total additional authorization of not more than \$400,000,000 per annum) such limit, and any such authorized increase therein, may be increased at any time or times by not to exceed in any fiscal year an additional amount of \$80,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further*, That 10 percent of each amount of authorization to enter into contracts for annual contributions becoming available hereunder shall, for a period of 3 years after such amount of authorization becomes available, be available only for annual contributions contracts with respect to projects to be located in rural nonfarm areas. With respect to projects initiated after March 1, 1949, the Authority may authorize the commencement of construction of not to exceed 150,000 dwelling units after July 1, 1949, which limit shall be increased by further amounts of 150,000 dwelling units on July 1 in each of the years 1950 through and including 1955, respectively: *Provided*, That (subject to the authorization of not to exceed 1,050,000 dwelling units) such limit, and any such authorized increase therein, may be increased at any time or times by not to exceed in any fiscal year an additional 100,000 dwelling units, or may be decreased at any time or times by not to exceed in any fiscal year 100,000 dwelling units, upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase or decrease upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further*, That contracts for annual contributions with respect to low-rent housing projects initiated after March 1, 1949, shall not provide for the development of more than 1,050,000 dwelling units without further authorization from the Congress.”; and

(b) By deleting the third sentence of subsection 10 (a) and adding the following new subsection to section 10:

“(h) Every contract made pursuant to this Act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that no annual contributions by the Authority shall be made available for such project unless such project is exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, but such contract may authorize the public housing agency to make payments in lieu of such taxes in an annual amount not in excess of 10 percent of the annual shelter rents charged in such project: *Provided*, That, with respect to any such project to be located in any State where, by reason of constitutional limitations or otherwise, such project is not exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivision, such contract may provide, in lieu of the requirement for tax exemption that no annual contributions by the authority shall be made available for such project unless and until the State, city, county, or other political subdivision in which such project is situated shall contribute, in the form of cash, at least 20 percent of the annual contributions paid by the authority. In respect to low-rent housing projects initiated prior to March 1, 1949, the authority may, after the effective date of the Housing Act of 1949, authorize payments in lieu of taxes for each of the project fiscal

years in respect to which annual contributions were payable during the 2-year period ending June 30, 1949, in amounts which, together with amounts already paid, will not exceed the greater of either (i) 5 percent of the shelter rents charged in such projects for each of such project fiscal years, or (ii) the amounts specified in the cooperation agreements in effect July 1, 1947, between the public housing agencies and the political subdivisions in which the projects are located, or in the ordinances or resolutions of such political subdivisions in effect on such date. In respect to such low-rent housing projects initiated prior to March 1, 1949, the contracts for annual contributions may be amended as to project fiscal years in respect to which annual contributions are payable on or after July 1, 1949, so as to require exemption from real and personal property taxes in lieu of any other requirements as to local contributions and to permit payments in lieu of taxes on the terms prescribed in the first sentence of this subsection; in the event that the contracts for annual contributions are not so amended, payments in lieu of taxes in respect to such project fiscal years shall be limited to the amount specified in the cooperation agreements or ordinances or resolutions in effect July 1, 1947."

SPECIAL PROVISIONS FOR LARGE FAMILIES OF LOW INCOME

SEC. 206. In order to enable low-rent housing to better serve the needs of large families of low income, the United States Housing Act of 1937, as amended, is hereby amended by deleting the second sentence of subsection 2 (1) and substituting therefor the following: "The dwellings in low-rent housing as defined in this act shall be available solely for families whose net annual income at the time of admission, less an exemption of \$100 for each minor member of the family other than the head of the family and his spouse, does not exceed five times the annual rental (including the value or cost to them of water, electricity, gas, other heating and cooking fuels, and other utilities) of the dwellings to be furnished such families. For the sole purpose of determining eligibility for continued occupancy, a public housing agency may allow, from the net income of any family, an exemption for each minor member of the family (other than the head of the family and his spouse) of either (a) \$100, or (b) all or any part of the annual income of such minor. For the purposes of this subsection, a minor shall mean a person less than 21 years of age."

TECHNICAL AMENDMENTS

SEC. 207. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By deleting from section 1 the words "rural or urban communities" and by substituting therefor the words "urban and rural nonfarm areas";

(b) (1) By adding at the end of subsection 2 (11) the following new sentence: "The Authority shall enter into contracts for financial assistance with a State or State agency where such State or State agency makes application for such assistance for an eligible project which, under the applicable laws of the State, is to be developed and administered by such State or State agency."; and

(2) By adding the following new subsection to section 2:

"(15) The term 'initiated' when used in reference to the date on which a project was initiated refers to the date of the first contract for financial assistance in respect to such project entered into by the Authority and the public housing agency.";

(c) By adding to section 6 the following new subsection:

"(e) With respect to all projects under title II of Public Law 671, Seventy-sixth Congress, approved June 28, 1940, references

therein to the United States Housing Act of 1937, as amended, shall include all amendments to said act made by the Housing Act of 1949 or by any other law thereafter enacted.";

(d) By deleting the proviso in subsection 10 (a) and the proviso in subsection 11 (a), and in each case changing the colon preceding the word "Provided" to a period;

(e) By amending the second sentence of subsection 13 (a) to read as follows: "The Authority may bid for and purchase at any foreclosure by any party or at any other sale, or (pursuant to section 22 or otherwise) acquire or take possession of any project which it previously owned or in connection with which it has made a loan, annual contribution, or capital grant; and in such event the Authority may complete, administer, pay the principal of and interest on any obligations issued in connection with such project, dispose of, and otherwise deal with, such projects or parts thereof, subject, however, to the limitations elsewhere in this act governing their administration and disposition.";

(f) By amending subsection 16 (2) by inserting after the words "contain a provision requiring that" the words "not less than";

(g) By amending subsection 21 (d) to read as follows:

"(d) Not more than 10 per centum of the total annual amount of \$428,000,000 provided in this act for annual contributions, nor more than 10 per centum of the amounts provided for in this act for grants, shall be expended within any one State."; and

(h) By renumbering sections 22 to 30, inclusive, so that they become sections 23 to 31, inclusive.

Mr. SPENCE (interrupting the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read and open to amendment and subject to points of order at any place.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]?

There was no objection.

Mr. COLE of Kansas. Mr. Chairman, was there a vote taken on the Spence amendment?

The CHAIRMAN. There was, and the amendment was adopted.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Boggs of Louisiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 4009, had come to no resolution thereon.

WHY WORRY?

Mr. HOFFMAN of Michigan. Mr. Speaker, my colleagues on various occasions have heard me confess that at times I was somewhat confused by some of the plans and theories urged upon us by well-meaning constituents or by others with a hobby, but we are not alone in being troubled. Recently there came a letter from which I quote as follows: .

I received a letter last week that startled me . . . this friend has a son in the Texas Agricultural College—she's very proud of him because he's won cups and such for the college—then she writes about her son's conversation with one of his professors. He tells me that a friend of his among the professors, who got a Nobel prize, tells him that these X-ray foot machines used to fit

shoes scientifically will sterilize any child that has them used on it a number of times—the ray is so powerful going through the shoe and all that it travels up and does the damage. Also he says that within 2 years we will not have this bleached flour as the Government has notified the mills they will be given a time to convert over to another process as the present method causes much physical harm—and he says (meaning her son) that this is authentic although not widely known. Also he says one reducing method widely used is taking capsules (the taker not knowing what he is taking) and the capsules contain eggs of the tapeworm. When they hatch and get to work the person gets emaciated in a short time, and then the tape worms are difficult to get rid of—if the patient ever has a doctor who finds out what the real trouble is. Can you beat that?

Tapeworms—well, some of the women had heard of this reducing method. I had not and so was really shocked that there are people who will destroy others to make a dollar. I wonder what the name of this manufactured "remedy" is. Do you know anything about this?

I'd heard of the nice white flour sent to Japan after the war and how sick the Japanese got eating bread made from it. Of course, we Americans have become immunized against aluminum and the white flour we buy and other health destroyers, but it goes hard with people whose bodies have not built up a resistance against these "foods" we eat. I suppose the reason for us now getting good flour is that by all means we must raise healthy sons and daughters for military purposes. I can't figure out any other reason for Government officials getting so alarmed over the health of the common people. I suppose I am an old cat to have this thought, but that's the thought that came to my mind when I read we shall have better bread.

But to sterilize our children with X-ray—I'd heard of this before. This machine is used on children right here. I heard that four such contacts with the machine will sterilize some children. What runs through my mind is this—if (I shall find out if these machines are so dangerous and I am writing some letters of inquiry)—so if such a foot machine sterilizes the sex organs, just what does it also do to our children's stomachs, livers, intestines, gall bladders, kidneys, hearts, lungs, nervous systems, etc.

The writer of this letter, like me, a Congressman, is worried over dangers real and dangers unreal, but threatened or imagined. However, she comes up with a solution to the whole situation, for she concludes her letter by writing:

If we ruin our youngsters who trust us, then, by gosh, we won't have to worry over any tax money—nor will they have to face that problem either—and have, maybe just the "death" part of "Death and taxes we always have with us."

Personally, I am not too greatly worried over these anticipated dangers, for I think that, even though we get the flour, the tapeworms, and the X-ray foot machine, we, our children, and our children's children who still have, if I may use the expression, guts enough to work our way out of any depression which New Deal fallacious policy, waste, and extravagance, yes, and for good measure I might throw in the efforts of the Communists—may get us into.

HOURLY OF MEETING TOMORROW

Mr. MCCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

TO SIMPLIFY PROCUREMENT, UTILIZATION, AND DISPOSAL OF GOVERNMENT PROPERTY AND REORGANIZATION OF CERTAIN AGENCIES OF THE GOVERNMENT

Mr. DAWSON, from the Committee on Expenditures in the Executive Departments, submitted the following conference report and statement on the bill (H. R. 4754) to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes, for printing in the RECORD:

CONFERENCE REPORT (H. REPT. NO. 935)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4754) to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SHORT TITLE

"That this Act may be cited as the 'Federal Property and Administrative Services Act of 1949'.

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"DECLARATION OF POLICY

"Sec. 2. It is the intent of the Congress in enacting this legislation to provide for the Government an economical and efficient system for (a) the procurement and supply of personal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, specifications, property identification and classification, transportation and traffic management, management of public utility services, repairing and converting, establishment of inventory levels, establishment of forms and procedures, and representation before Federal and State regulatory bodies; (b) the utilization of available property; (c) the disposal of surplus property; and (d) records management.

"DEFINITIONS

"Sec. 3. As used in this Act—

"(a) The term 'executive agency' means any executive department or independent establishment in the executive branch of the Government, including any wholly owned Government corporation.

"(b) The term 'Federal agency' means any executive agency or any establishment in the legislative or judicial branch of the Government (except the Senate and the House of Representatives).

"(c) The term 'Administrator' means the Administrator of General Services provided for in title I hereof.

"(d) The term 'property' means any interest in property of any kind except (1) the public domain and lands reserved or dedicated for national forest or national park purposes; and (2) naval vessels of the following categories: Battleships, cruisers, aircraft carriers, destroyers, and submarines.

"(e) The term 'excess property' means any property under the control of any Federal agency which is not required for its needs and the discharge of its responsibilities, as determined by the head thereof.

"(f) The term 'foreign excess property' means any excess property located outside the continental United States, Hawaii, Alaska, Puerto Rico, and the Virgin Islands.

"(g) The term 'surplus property' means any excess property not required for the needs and the discharge of the responsibilities of all Federal agencies, as determined by the Administrator.

"(h) The term 'care and handling' includes completing, repairing, converting, rehabilitating, operating, preserving, protecting, insuring, packing, storing, handling, conserving, and transporting excess and surplus property, and, in the case of property which is dangerous to public health or safety, destroying or rendering innocuous such property.

"(i) The term 'person' includes any corporation, partnership, firm, association, trust, estate, or other entity.

"(j) The term 'nonpersonal services' means such contractual services, other than personal and professional services, as the Administrator shall designate.

"(k) The term 'contractor inventory' means (1) any property acquired by and in the possession of a contractor or subcontractor under a contract pursuant to the terms of which title is vested in the Government, and

in excess of the amounts needed to complete full performance under the entire contract; and (2) any property which the Government is obligated to take over under any type of contract as a result either of any changes in the specifications or plans thereunder or of the termination of such contract (or sub-contract thereunder), prior to completion of the work, for the convenience or at the option of the Government.

"TITLE I—ORGANIZATION

"GENERAL SERVICES ADMINISTRATION

"Sec. 101. (a) There is hereby established an agency in the executive branch of the Government which shall be known as the General Services Administration.

"(b) There shall be at the head of the General Services Administration an Administrator of General Services who shall be appointed by the President by and with the advice and consent of the Senate, and perform his functions subject to the direction and control of the President.

"(c) There shall be in the General Services Administration a Deputy Administrator of General Services who shall be appointed by the Administrator of General Services. The Deputy Administrator shall perform such functions as the Administrator shall designate and shall be Acting Administrator of General Services during the absence or disability of the Administrator and, unless the President shall designate another officer of the Government, in the event of a vacancy in the office of Administrator.

"(d) Pending the first appointment of the Administrator under the provisions of this section, his functions shall be performed temporarily by such officer of the Government in office upon or immediately prior to the taking of effect of the provisions of this Act as the President shall designate, and such officer while so serving shall receive the salary fixed for the Administrator.

"(e) Pending the effective date of other provisions of law fixing the rates of compensation of the Administrator, the Deputy Administrator and of the heads and assistant heads of the principal organizational units of the General Services Administration, and taking into consideration provisions of law governing the compensation of officers having comparable responsibilities and duties, the President shall fix for each of them a rate of compensation which he shall deem to be commensurate with the responsibilities and duties of the respective offices involved.

"TRANSFER OF AFFAIRS OF BUREAU OF FEDERAL SUPPLY

"Sec. 102. (a) The functions of (1) the Bureau of Federal Supply in the Department of the Treasury, (2) the Director of the Bureau of Federal Supply, (3) the personnel of such Bureau, and (4) the Secretary of the Treasury, relating to the Bureau of Federal Supply, are hereby transferred to the Administrator. The records, property, personnel, obligations, and commitments of the Bureau of Federal Supply, together with such additional records, property, and personnel of the Department of the Treasury as the Director of the Bureau of the Budget shall determine to relate primarily to functions transferred by this section or vested in the Administrator by titles II, III, and V, of this Act, are hereby transferred to the General Services Administration. The Bureau of Federal Supply and the office of Director of the Bureau of Federal Supply are hereby abolished.

"(b) The functions of the Director of Contract Settlement and of the Office of Contract Settlement, transferred to the Secretary of the Treasury by Reorganization Plan Numbered 1 of 1947, are transferred to the Administrator and shall be performed by him or, subject to his direction and control, by such officers and agencies of the General Services Administration as he may designate. The Contract Settlement Act Advisory Board created by section 5 of the Contract Settlement

Act of 1944 (58 Stat. 649) and the Appeal Board established under section 13 (d) of that Act are transferred from the Department of the Treasury to the General Services Administration, but the functions of these Boards shall be performed by them, respectively, under conditions and limitations prescribed by law. There shall also be transferred to the General Services Administration such records, property, personnel, obligations, commitments, and unexpended balances (available or to be made available) of appropriations, allocations, and other funds of the Treasury Department as the Director of the Bureau of the Budget shall determine to relate primarily to the functions transferred by the provisions of this subsection.

"(c) Any other provision of this section notwithstanding, there may be retained in the Department of the Treasury any function referred to in subsection (a) of this section which the Director of the Bureau of the Budget shall, within ten days after the effective date of this Act, determine to be essential to the orderly administration of the affairs of the agencies of such Department, other than the Bureau of Federal Supply, together with such records, property, personnel, obligations, commitments, and unexpended balances of appropriations, allocations, and other funds, available or to be made available, of said Department, as said Director shall determine.

"TRANSFER OF AFFAIRS OF THE FEDERAL WORKS AGENCY

"SEC. 103. (a) All functions of the Federal Works Agency and of all agencies thereof, together with all functions of the Federal Works Administrator, of the Commissioner of Public Buildings, and of the Commissioner of Public Roads, are hereby transferred to the Administrator of General Services. There are hereby transferred to the General Services Administration the Public Roads Administration, which shall hereafter be known as the Bureau of Public Roads, and all records, property, personnel, obligations, and commitments of the Federal Works Agency, including those of all agencies of the Federal Works Agency.

"(b) There are hereby abolished the Federal Works Agency, the Public Buildings Administration, the office of Federal Works Administrator, the office of Commissioner of Public Buildings, and the office of Assistant Federal Works Administrator.

"RECORDS MANAGEMENT: TRANSFER OF THE NATIONAL ARCHIVES

"SEC. 104. (a) The National Archives Establishment and its functions, records, property, personnel, obligations, and commitments are hereby transferred to the General Services Administration. There are transferred to the Administrator (1) the functions of the Archivist of the United States, except that the Archivist shall continue to be a member or chairman, as the case may be, of the bodies referred to in subsection (b) of this section, and (2) the functions of the Director of the Division of the Federal Register of the National Archives Establishment. The Archivist of the United States shall hereafter be appointed by the Administrator.

"(b) There are also transferred to the General Services Administration the following bodies, together with their respective functions and such funds as are derived from Federal sources: (1) The National Archives Council and the National Historical Publications Commission, established by the Act of June 19, 1934 (48 Stat. 1122), (2) the National Archives Trust Fund Board, established by the Act of July 9, 1941 (55 Stat. 581), (3) the Board of Trustees of the Franklin D. Roosevelt Library, established by the Joint Resolution of July 18, 1939 (53 Stat. 1062), and (4) the Administrative Committee established by section 6 of the Act of July 26, 1935 (49 Stat. 501), which shall hereafter be known as the Administrative Committee of the Federal Register. The authority of

the Administrator under section 106 hereof shall not extend to the bodies or functions affected by this subsection.

"(c) The Administrator is authorized (1) to make surveys of Government records and records management and disposal practices and obtain reports thereon from Federal agencies; (2) to promote, in cooperation with the executive agencies, improved records management practices and controls in such agencies, including the central storage or disposition of records not needed by such agencies for their current use; and (3) to report to the Congress and the Director of the Bureau of the Budget from time to time the results of such activities.

"TRANSFER FOR LIQUIDATION OF THE AFFAIRS OF THE WAR ASSETS ADMINISTRATION

"SEC. 105. The functions, records, property, personnel, obligations, and commitments of the War Assets Administration are hereby transferred to the General Services Administration. The functions of the War Assets Administrator are hereby transferred to the Administrator of General Services. The War Assets Administration, the office of the War Assets Administrator, and the office of Associate War Assets Administrator are hereby abolished. Personnel now holding appointments granted under the second sentence of section 5 (b) of the Surplus Property Act of 1944, as amended, may be continued in such positions or may be appointed to similar positions for such time as the Administrator may determine.

"REDISTRIBUTION OF FUNCTIONS

"SEC. 106. The Administrator is hereby authorized, in his discretion, in order to provide for the effective accomplishment of the functions transferred to or vested in him by this Act, and from time to time, to regroup, transfer, and distribute any such functions within the General Services Administration. The Administrator is hereby authorized to transfer the funds necessary to accomplish said functions and report such transfer of funds to the Director of the Bureau of the Budget.

"TRANSFER OF FUNDS

"SEC. 107. (a) All unexpended balances of appropriations, allocations, or other funds available or to be made available, for the use of the Bureau of Federal Supply, the War Assets Administration, the Federal Works Agency, and the National Archives Establishment, and so much of the other unexpended balances of appropriations, allocations, or other funds of the Department of the Treasury, available or to be made available, as the Director of the Bureau of the Budget shall determine to relate primarily to functions transferred to or vested in the Administrator by the provisions of this Act, shall be transferred to the General Services Administration for use in connection with the functions to which such balances relate, respectively.

"(b) When other functions are transferred to the General Services Administration from any Federal agency, under section 201 (a) (2) or (3), or otherwise under this Act, there shall be transferred such records, property, personnel, appropriations, allocations, and other funds of such agency to the General Services Administration as the Director of the Bureau of the Budget shall determine to relate primarily to the functions so transferred.

"STATUS OF TRANSFERRED EMPLOYEES

"SEC. 108. Subject to other provisions of this title relating to personnel, employees transferred by the provisions of this title shall be deemed to be employees of the General Services Administration and their reappointment shall not be required by reason of the enactment of this Act.

"GENERAL SUPPLY FUND

"SEC. 109. (a) There is hereby authorized to be set aside in the Treasury a special fund

which shall be known as the General Supply Fund. Such fund shall be composed of the assets of the general supply fund (including any surplus therein) created by section 3 of the Act of February 27, 1929 (45 Stat. 1342; 41 U. S. C. 7c), and transferred to the Administrator by section 102 of this Act, and such sums as may be appropriated thereto, and the fund shall assume all of the liabilities, obligations, and commitments of the general supply fund created by such Act of February 27, 1929. The capital of the General Supply Fund shall be in an amount not greater than \$75,000,000. The General Supply Fund shall be available for use by or under the direction and control of the Administrator (1) for procuring personal property (including the purchase from or through the Public Printer of standard forms and blank-book work for field warehouse issue) and nonpersonal services for the use of Federal agencies in the proper discharge of their responsibilities, and (2) for paying all elements of cost of the procurement, handling, and distribution thereof, except that on and after July 1, 1950, those elements of cost which are determined by the Administrator with the approval of the Director of the Bureau of the Budget to be indirect or overhead costs shall not be paid from the fund.

"(b) Payment by requisitioning agencies shall be at prices fixed by the Administrator. Until July 1, 1950, such prices shall be fixed in accordance with law and regulations applicable on the date of enactment of this Act to prices fixed by the Director of the Bureau of Federal Supply. On and after such date, such prices shall be fixed at levels so as to recover so far as practicable all costs except those which are determined by the Administrator with the approval of the Director of the Bureau of the Budget to be indirect or overhead costs. Requisitioning agencies shall pay by advance of funds in all cases where it is determined by the Administrator that there is insufficient capital otherwise available in the General Supply Fund. Advances of funds also may be made by agreement between the requisitioning agencies and the Administrator. Where an advance of funds is not made, requisitioning agencies shall promptly reimburse the General Services Administration on vouchers prepared by the requisitioning agency on the basis of itemized invoices submitted by the Administrator and receiving reports evidencing the delivery to the requisitioning agency of such supplies or services: *Provided*, That in any case where payment shall not have been made by the requisitioning agency within forty-five days after the date of billing by the Administrator, reimbursement may be obtained by the Administrator by the issuance of transfer and counterwarrants supported by itemized invoices.

"(c) The General Supply Fund shall be credited with all reimbursements, advances of funds, and refunds or recoveries relating to supplies or services procured through the fund, including the net proceeds of disposal of surplus supplies procured through the fund and receipts from carriers and others for loss of, or damage to, supplies procured through the fund; and the same are hereby reappropriated for the purposes of the fund.

"(d) A special deposit account may be established as a part of the General Supply Fund with the Treasurer of the United States for use by the chief disbursing officer or any regional disbursing officer, Department of the Treasury, which may be credited with (1) funds advanced from the General Supply Fund account on the books of the Division of Bookkeeping and Warrants and (2) other funds properly for credit to the General Supply Fund without being covered into the Treasury of the United States; and such special deposit account may be charged with payments properly chargeable to the General Supply Fund.

"(e) The Comptroller General of the United States shall make an annual audit of the General Supply Fund as of June 30, and there shall be covered into the United States Treasury as miscellaneous receipts any surplus found therein, all assets, liabilities, and prior losses considered, above the amounts transferred or appropriated to establish and maintain said fund, and the Comptroller General shall report to the Congress annually the results of the audit, together with such recommendations as he may have regarding the status and operations of the fund.

"(f) Subject to the requirements of subsections (a) to (e), inclusive, of this section, the General Supply Fund also may be used for the procurement of supplies and nonpersonal services authorized to be acquired by mixed-ownership Government corporations, or by the municipal government of the District of Columbia, or by a requisitioning non-Federal agency when the function of a Federal agency authorized to procure for it is transferred to the General Services Administration: *Provided*, That the prices charged by the Administrator in such cases shall be fixed at levels which he estimates will be sufficient to recover, in addition to the direct costs of the procurement, handling, and distribution of such supplies and services, the indirect and overhead costs that the Administrator determines are allocable thereto.

"TITLE II—PROPERTY MANAGEMENT

"PROCUREMENT, WAREHOUSING, AND RELATED ACTIVITIES

"SEC. 201. (a) The Administrator shall, in respect of executive agencies, and to the extent that he determines that so doing is advantageous to the Government in terms of economy, efficiency, or service, and with due regard to the program activities of the agencies concerned—

"(1) Prescribe policies and methods of procurement and supply of personal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, property identification and classification, transportation and traffic management, management of public utility services, and repairing and converting; and

"(2) operate, and, after consultation with the executive agencies affected, consolidate, take over, or arrange for the operation by any executive agency of warehouses, supply centers, repair shops, fuel yards, and other similar facilities; and

"(3) procure and supply personal property and nonpersonal services for the use of executive agencies in the proper discharge of their responsibilities, and perform functions related to procurement and supply such as those mentioned above in subparagraph (1): *Provided*, That contracts for public utility services may be made for periods not exceeding ten years; and

"(4) with respect to transportation and other public utility services for the use of executive agencies, represent such agencies in negotiations with carriers and other public utilities and in proceedings involving carriers or other public utilities before Federal and State regulatory bodies;

"*Provided*, That the Secretary of Defense may from time to time, and unless the President shall otherwise direct, exempt the National Military Establishment from action taken or which may be taken by the Administrator under clauses (1), (2), (3), and (4) above whenever he determines such exemption to be in the best interests of national security.

"(b) The Administrator shall as far as practicable provide any of the services specified in subsection (a) of this section to any other Federal agency, mixed ownership corporation (as defined in the Government Corporation Control Act), or the District of Columbia, or the Senate, or the House of Representatives, upon its request.

"(c) In acquiring personal property, any executive agency, under regulations to be prescribed by the Administrator, may exchange or sell similar items and may apply the exchange allowance or proceeds of sale in such cases in whole or in part payment for the property acquired: *Provided*, That any transaction carried out under the authority of this subsection shall be evidenced in writing.

"PROPERTY UTILIZATION

"SEC. 202. (a) In order to minimize expenditures for property, the Administrator shall prescribe policies and methods to promote the maximum utilization of excess property by executive agencies, and he shall provide for the transfer of excess property among Federal agencies.

"(b) Each executive agency shall (1) maintain adequate inventory controls and accountability systems for the property under its control, (2) continuously survey property under its control to determine which is excess property, and promptly report such property to the Administrator, (3) perform the care and handling of such excess property, and (4) transfer or dispose of such property as promptly as possible in accordance with authority delegated and regulations prescribed by the Administrator.

"(c) Each executive agency shall, as far as practicable, (1) make reassignments of property among activities within the agency when such property is determined to be no longer required for the purposes of the appropriation from which it was purchased, (2) transfer excess property under its control to other Federal agencies, and (3) obtain excess property from other Federal agencies.

"(d) Under existing provisions of law and procedures defined by the Secretary of Defense, and without regard to the requirements of this section except subsection (f), excess property of one of the departments of the National Military Establishment may be transferred to another department thereof.

"(e) Transfers of excess property between Federal agencies (except transfers for redistribution to other Federal agencies or for disposal as surplus property) shall be at the fair value thereof, as determined by, or pursuant to regulations of, the Administrator unless such transfer is otherwise authorized by any law approved subsequent to June 21, 1944, to be without reimbursement or transfer of funds.

"(f) The Director of the Bureau of the Budget shall prescribe regulations providing for the reporting to said Director by executive agencies of such reassignments or transfers of property between activities financed by different appropriations as he shall deem appropriate, and the reassignments and transfers so reported shall be reported to the Congress in the annual budget or otherwise as said Director may determine.

"(g) Whenever the Administrator determines that the temporary assignment or reassignment of any space in excess real property to any Federal agency for office, storage, or related facilities would be more advantageous than the permanent transfer of such property, he may make such assignment or reassignment for such period of time as he shall determine and obtain, in the absence of appropriation available to him therefor, appropriate reimbursement from the using agency for the expense of maintaining such space.

"(h) The Administrator may authorize the abandonment, destruction, or donation to public bodies of property which has no commercial value or of which the estimated cost of continued care and handling would exceed the estimated proceeds from its sale.

"DISPOSAL OF SURPLUS PROPERTY

"SEC. 203. (a) Except as otherwise provided in this section, the Administrator shall have supervision and direction over the disposition of surplus property. Such property shall be

disposed of to such extent, at such time, in such areas, by such agencies, at such terms and conditions, and in such manner, as may be prescribed in or pursuant to this act.

"(b) The care and handling of surplus property, pending its disposition, and the disposal of surplus property, may be performed by the General Services Administration or, when so determined by the Administrator, by the executive agency in possession thereof or by any other executive agency consenting thereto.

"(c) Any executive agency designated or authorized by the Administrator to dispose of surplus property may do so by sale, exchange, lease, permit, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the Administrator deems proper, and it may execute such documents for the transfer of title or other interest in property and take such other action as it deems necessary or proper to dispose of such property under the provisions of this title.

"(d) A deed, bill of sale, lease, or other instrument executed by or on behalf of any executive agency purporting to transfer title or any other interest in surplus property under this title shall be conclusive evidence of compliance with the provisions of this title insofar as concerns title or other interest of any bona fide grantee or transferee for value and without notice of lack of such compliance.

"(e) Unless the Administrator shall determine that disposal by advertising will in a given case better protect the public interest, surplus property disposals may be made without regard to any provision of existing law for advertising until 12 o'clock noon, eastern standard time, December 31, 1950.

"(f) Subject to regulations of the Administrator, any executive agency may authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventory.

"(g) The Administrator, in formulating policies with respect to the disposal of surplus agricultural commodities, surplus foods processed from agricultural commodities, and surplus cotton or woolen goods, shall consult with the Secretary of Agriculture. Such policies shall be so formulated as to prevent surplus agricultural commodities, or surplus food processed from agricultural commodities, from being dumped on the market in a disorderly manner and disrupting the market prices for agricultural commodities.

"(h) Whenever the Secretary of Agriculture determines such action to be required to assist him in carrying out his responsibilities with respect to price support or stabilization, the Administrator shall transfer without charge to the Department of Agriculture any surplus agricultural commodities, foods, or cotton or woolen goods to be disposed of. Receipts resulting from disposal by the Department of Agriculture under this subsection shall be deposited pursuant to any authority available to the Secretary of Agriculture, except that net proceeds of any sale of surplus property so transferred shall be credited pursuant to section 204 (b), when applicable. Surplus farm commodities so transferred shall not be sold, other than for export, in quantities in excess of, or at prices less than, those applicable with respect to sales of such commodities by the Commodity Credit Corporation.

"(i) The United States Maritime Commission shall dispose of surplus vessels of one thousand five hundred gross tons or more which the Commission determines to be merchant vessels or capable of conversion to merchant use, and such vessels shall be disposed of only in accordance with the provisions of the Merchant Marine Act, 1936, as amended, and other laws authorizing the sale of such vessels.

"(j) (1) Under such regulations as he may prescribe, the Administrator is authorized in

his discretion to donate for educational purposes in the States, Territories, and possessions without cost (except for costs of care and handling) such equipment, materials, books, or other supplies under the control of any executive agency as shall have been determined to be surplus property and which shall have been determined under paragraph 2 or paragraph 3 of this subsection to be usable and necessary for educational purposes.

"(2) Determination whether such surplus property (except surplus property donated in conformity with paragraph 3 of this subsection) is usable and necessary for educational purposes shall be made by the Federal Security Administrator, who shall allocate such property on the basis of needs and utilization for transfer by the Administrator of General Services to tax-supported school systems, schools, colleges, and universities, and to other nonprofit schools, colleges, and universities which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code, or to State departments of education for distribution to such tax-supported and nonprofit school systems, schools, colleges, and universities; except that in any State where another agency is designated by State law for such purpose such transfer shall be made to said agency for such distribution within the State.

"(3) In the case of surplus property under the control of the National Military Establishment, the Secretary of Defense shall determine whether such property is usable and necessary for educational activities that are of special interest to the armed services, such as maritime academies or military, naval, Air Force, or Coast Guard preparatory schools. If such Secretary shall determine that such property is usable and necessary for such purposes, he shall allocate it for transfer by the Administrator to such educational activities. If he shall determine that such property is not usable and necessary for such purposes, it may be disposed of in accordance with paragraph 2 of this subsection.

"(k) (1) Under such regulations as he may prescribe, the Administrator is authorized, in his discretion, to assign to the Federal Security Administrator for disposal such surplus real property, including buildings, fixtures, and equipment situated thereon, as is recommended by the Federal Security Administrator as being needed for school, classroom, or other educational use, or for use in the protection of public health, including research.

"(A) Subject to the disapproval of the Administrator within thirty days after notice to him by the Federal Security Administrator of a proposed transfer of property for school, classroom, or other educational use, the Federal Security Administrator, through such officers or employees of the Federal Security Agency as he may designate, may sell or lease such real property, including buildings, fixtures, and equipment situated thereon, for educational purposes to the States and their political subdivisions and instrumentalities, and tax-supported educational institutions, and to other nonprofit educational institutions which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code.

"(B) Subject to the disapproval of the Administrator within thirty days after notice to him by the Federal Security Administrator of a proposed transfer of property for public-health use, the Federal Security Administrator, through such officers or employees of the Federal Security Agency as he may designate, may sell or lease such real property for public-health purposes, including research, to the States and their political subdivisions and instrumentalities, and to tax-supported medical institutions, and to hospitals or other similar institutions not operated for profit which have been held

exempt from taxation under section 101 (6) of the Internal Revenue Code.

"(C) In fixing the sale or lease value of property to be disposed of under subparagraph (A) and subparagraph (B) of this paragraph, the Federal Security Administrator shall take into consideration any benefit which has accrued or may accrue to the United States from the use of such property by any such State, political subdivision, instrumentality, or institution.

"(D) 'States' as used in this subsection includes the District of Columbia and the Territories and possessions of the United States.

"(2) Subject to the disapproval of the Administrator within thirty days after notice to him of any action to be taken under this subsection—

"(A) The Federal Security Administrator, through such officers or employees of the Federal Security Agency as he may designate, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions, and instrumentalities thereof, and tax-supported and other nonprofit educational institutions for school, classroom, or other educational use;

"(B) the Federal Security Administrator, through such officer or employees of the Federal Security Agency as he may designate, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions and instrumentalities thereof, tax-supported medical institutions, and to hospitals and other similar institutions not operated for profit, for use in the protection of public health (including research);

"(C) the Secretary of the Interior, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions, and instrumentalities thereof, and municipalities for use as a public park, public recreational area, or historic monument for the benefit of the public; or

"(D) the Secretary of Defense, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, to States, political subdivisions, and tax-supported instrumentalities thereof for use in the training and maintenance of civilian components of the armed forces,

"is authorized and directed—

"(i) to determine and enforce compliance with the terms, conditions, reservations, and restrictions contained in any instrument by which such transfer was made;

"(ii) to reform, correct, or amend any such instrument by the execution of a corrective, reformatory, or amendatory instrument where necessary to correct such instrument or to conform such transfer to the requirements of applicable law; and

"(iii) to (I) grant releases from any of the terms, conditions, reservations, and restrictions contained in, and (II) convey, quitclaim, or release to the transferee or other eligible user any right or interest reserved to the United States by, any instrument by which such transfer was made, if he determines that the property so transferred no longer serves the purpose for which it was transferred, and that such release, conveyance, or quitclaim deed will not prevent accomplishment of the purpose for which such property was so transferred: *Provided*, That any such release, conveyance, or quitclaim deed may be granted on, or made subject to, such terms and conditions as he shall deem necessary to protect or advance the interests of the United States.

"(1) The Administrator is authorized to take possession of abandoned and other unclaimed property on premises owned or leased by the Government, to determine when title thereto vested in the United States, and to utilize, transfer or otherwise dispose of such property. Former owners of

such property upon proper claim filed within three years from the date of vesting of title in the United States shall be paid the proceeds realized from the disposition of such property or, if the property is used or transferred, the fair value thereof as of the time title was vested in the United States as determined by the Administrator, less in either case the costs incident to the care and handling of such property as determined by the Administrator.

"PROCEEDS FROM TRANSFER OR DISPOSITION OF PROPERTY

"SEC. 204. (a) All proceeds under this title from any transfer of excess property to a Federal agency for its use, or from any sale, lease, or other disposition of surplus property, shall be covered into the Treasury as miscellaneous receipts, except as provided in subsections (b), (c), (d), and (e) of this section.

"(b) Where the property transferred or disposed of was acquired by the use of funds either not appropriated from the general fund of the Treasury or appropriated therefrom but by law reimbursable from assessment, tax, or other revenue or receipts, then the net proceeds of the disposition or transfer shall be credited to the reimbursable fund or appropriation or paid to the Federal agency which determined such property to be excess: *Provided*, That the proceeds shall be credited to miscellaneous receipts in any case when the agency which determined the property to be excess shall deem it uneconomical or impractical to ascertain the amount of net proceeds. As used in this subsection, the term 'net proceeds of the disposition or transfer' means the proceeds of the disposition of transfer minus all expenses incurred for care and handling and disposition or transfer.

"(c) Any Federal agency disposing of surplus property under this title (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

"(d) Where any contract entered into by an executive agency or any subcontract under such contract authorizes the proceeds of any sale of property in the custody of the contractor or subcontractor to be credited to the price or cost of the work covered by such contract or subcontract, the proceeds of any such sale shall be credited in accordance with the contract or subcontract.

"(e) Any executive agency entitled to receive cash under any contract covering the lease, sale, or other disposition of surplus property may in its discretion accept, in lieu of cash, any property determined by the Munitions Board to be strategic or critical material at the prevailing market price thereof at the time the cash payment or payments became or become due.

"(f) Where credit has been extended in connection with any disposition of surplus property under this title or by War Assets Administration (or its predecessor agencies) under the Surplus Property Act of 1944, or where such disposition has been by lease or permit, the Administrator shall administer and manage such credit, lease, or permit, and any security therefor, and may enforce, adjust, and settle any right of the Government with respect thereto in such manner and upon such terms as he deems in the best interest of the Government.

"POLICIES, REGULATIONS, AND DELEGATIONS

"SEC. 205. (a) The President may prescribe such policies and directives, not inconsistent with the provisions of this Act, as he shall deem necessary to effectuate the provi-

sions of this Act, which policies and directives shall govern the Administrator and executive agencies in carrying out their respective functions hereunder.

"(b) The Comptroller General after considering the needs and requirements of the executive agencies shall prescribe principles and standards of accounting for property, cooperate with the Administrator and with the executive agencies in the development of property accounting systems, and approve such systems when deemed to be adequate and in conformity with prescribed principles and standards. From time to time the General Accounting Office shall examine such property accounting systems as are established by the executive agencies to determine the extent of compliance with prescribed principles and standards and approved systems, and the Comptroller General shall report to the Congress any failure to comply with such principles and standards or to adequately account for property.

"(c) The Administrator shall prescribe such regulations as he deems necessary to effectuate his functions under this Act, and the head of each executive agency shall cause to be issued such orders and directives as such head deems necessary to carry out such regulations.

"(d) The Administrator is authorized to delegate and to authorize successive redelegation of any authority transferred to or vested in him by this Act (except for the authority to issue regulations on matters of policy having application to executive agencies, the authority contained in section 106, and except as otherwise provided in this Act) to any official in the General Services Administration or to the head of any other Federal agency.

"(e) With respect to any function transferred to or vested in the General Services Administration or the Administrator by this Act, the Administrator may (1) direct the undertaking of its performance by the General Services Administration or by any constituent organization therein which he may designate or establish; or (2) designate and authorize any executive agency to perform such function for itself; or (3) designate and authorize any other executive agency to perform such function; or (4) provide for such performance by any combination of the foregoing methods. Any designation or assignment of functions or delegation of authority to another executive agency under this section shall be made only with the consent of the executive agency concerned or upon direction of the President.

"(f) When any executive agency (including the General Services Administration and constituent organizations thereof) is authorized and directed by the Administrator to carry out any function under this Act, the Administrator may, with the approval of the Director of the Bureau of the Budget, provide for the transfer of appropriate personnel, records, property, and allocated funds of the General Services Administration, or of such other executive agency as has theretofore carried out such function, to the executive agency so authorized and directed.

"(g) The Administrator may establish advisory committees to advise with him with respect to any function transferred to or vested in the Administrator by this Act. The members thereof shall serve without compensation but shall be entitled to transportation and not to exceed \$25 per diem in lieu of subsistence, as authorized by section 5 of the Act of August 2, 1946 (5 U. S. C. 73b-2), for persons so serving.

"(h) The Administrator shall advise and consult with interested Federal agencies with a view to obtaining their advice and assistance in carrying out the purposes of this title.

"SURVEYS, STANDARDIZATION AND CATALOGING

"SEC. 206. (a) As he may deem necessary for the effectuation of his functions under this title, and after adequate advance notice

to the executive agencies affected, and with due regard to the requirements of the National Military Establishment as determined by the Secretary of Defense, the Administrator is authorized (1) to make surveys of Government property and property management practices and obtain reports thereon from executive agencies; (2) to cooperate with executive agencies in the establishment of reasonable inventory levels for property stocked by them and from time to time report any excessive stocking to the Congress and to the Director of the Bureau of the Budget; (3) to establish and maintain such uniform Federal supply catalog system as may be appropriate to identify and classify personal property under the control of Federal agencies; *Provided*, That the Administrator and the Secretary of Defense shall coordinate the cataloging activities of the General Services Administration and the National Military Establishment so as to avoid unnecessary duplication; and (4) to prescribe standardized forms and procedures, except such as the Comptroller General is authorized by law to prescribe, and standard purchase specifications.

"(b) Each Federal agency shall utilize such uniform Federal supply catalog system and standard purchase specifications, except as the Administrator, taking into consideration efficiency, economy, and other interests of the Government, shall otherwise provide.

"(c) The General Accounting Office shall audit all types of property accounts and transactions at such times and in such manner as determined by the Comptroller General. Such audit shall be conducted as far as practicable at the place or places where the property or records of the executive agencies are kept and shall include but not necessarily be limited to an evaluation of the effectiveness of internal controls and audits, and a general audit of the discharge of accountability for Government-owned or controlled property based upon generally accepted principles of auditing.

"APPLICABILITY OF ANTITRUST LAWS

"SEC. 207. Whenever any executive agency shall begin negotiations for the disposition to private interests of a plant or plants, or other property, which cost the Government \$1,000,000 or more, or of patents, processes, techniques, or inventions, irrespective of cost, the executive agency shall promptly notify the Attorney General of the proposed disposal and the probable terms or conditions thereof. Within a reasonable time, in no event to exceed sixty days after receiving such notification, the Attorney General shall advise the Administrator and the interested executive agency whether, insofar as he can determine, the proposed disposition would tend to create or maintain a situation inconsistent with the antitrust laws. Upon the request of the Attorney General, the Administrator or interested executive agency shall furnish or cause to be furnished such information as it may possess which the Attorney General determines to be appropriate or necessary to enable him to give the advice called for by this section or to determine whether any other disposition or proposed disposition of surplus property violates the antitrust laws. Nothing in this Act shall impair, amend, or modify the antitrust laws or limit and prevent their application to persons who buy or otherwise acquire property under the provisions of this Act. As used in this section, the term "antitrust laws" includes the Act of July 2, 1890 (ch. 647, 26 Stat. 209), as amended; the Act of October 15, 1914 (ch. 323, 38 Stat. 730), as amended; the Federal Trade Commission Act (38 Stat. 717), as amended; and sections 73 and 74 of the Act of August 27, 1894 (28 Stat. 570), as amended.

"EMPLOYMENT OF PERSONNEL

"SEC. 208. (a) The Administrator is authorized, subject to the civil-service and classification laws, to appoint and fix the

compensation of such personnel as may be necessary to carry out the provisions of titles I, II, III, and V of this Act.

"(b) To such extent as he finds necessary to carry out the provisions of titles I, II, III, and V of this Act, the Administrator is hereby authorized to procure the temporary (not in excess of one year) or intermittent services of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such service shall be without regard to the civil-service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709, Revised Statutes, as amended (41 U. S. C. 5).

"(c) Notwithstanding the provisions of section 1222 of the Revised Statutes (10 U. S. C. 576) or of any other provision of law, the Administrator in carrying out the functions imposed upon him by this Act is authorized to utilize in his agency the services of officials, officers, and other personnel in other executive agencies, including personnel of the armed services, with the consent of the head of the agency concerned.

"CIVIL REMEDIES AND PENALTIES

"SEC. 209. (a) Where any property is transferred or disposed of in accordance with this Act and any regulations prescribed hereunder, no officer or employee of the Government shall (1) be liable with respect to such transfer or disposition except for his own fraud, or (2) be accountable for the collection of any purchase price for such property which is determined to be uncollectible by the Federal agency responsible therefor.

"(b) Every person who shall use or engage in, or cause to be used or engaged in, or enter into an agreement, combination, or conspiracy to use or engage in or to cause to be used or engaged in, any fraudulent trick, scheme, or device, for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any payment, property, or other benefits from the United States or any Federal agency in connection with the procurement, transfer, or disposition of property hereunder—

"(1) shall pay to the United States the sum of \$2,000 for each such act, and double the amount of any damage which the United States may have sustained by reason thereof, together with the cost of suit; or

"(2) shall, if the United States shall so elect, pay to the United States, as liquidated damages, a sum equal to twice the consideration agreed to be given by the United States or any Federal agency to such person or by such person to the United States or any Federal agency, as the case may be; or

"(3) shall, if the United States shall so elect, restore to the United States the money or property thus secured and obtained and the United States shall retain as liquidated damages any property, money, or other consideration given to the United States or any Federal agency for such money or property, as the case may be.

"(c) The several district courts of the United States, the District Court of the United States for the District of Columbia, and the several district courts of the Territories and possessions of the United States, within whose jurisdictional limits the person, or persons, doing or committing such act, or any one of them, resides or shall be found, shall whosoever such act may have been done or committed, have full power and jurisdiction to hear, try, and determine such suit, and such person or persons as are not inhabitants of or found within the district in which suit is brought may be brought in by order of the court to be served personally or by publication or in such other reasonable manner as the court may direct.

"(d) The civil remedies provided in this section shall be in addition to all other criminal penalties and civil remedies provided by law.

"REPORTS TO CONGRESS"

"SEC. 210. The Administrator shall submit a report to the Congress, in January of each year and at such other times as he may deem it desirable, regarding the administration of his functions under this Act, together with such recommendations for amendments to this Act as he may deem appropriate as the result of the administration of such functions, at which time he shall also cite the laws becoming obsolete by reason of passage or operation of the provisions of this Act.

"TITLE III—PROCUREMENT PROCEDURE"

"DECLARATION OF PURPOSE"

"SEC. 301. The purpose of this title is to facilitate the procurement of supplies and services.

"APPLICATION AND PROCUREMENT METHODS"

"SEC. 302. (a) The provisions of this title shall be applicable to purchases and contracts for supplies or services made—

"(1) by the General Services Administration for the use of such agency or otherwise; and

"(2) by any other executive agency (except any agency named in section 2 (a) of the Armed Services Procurement Act of 1947), to the extent of and in conformity with authority delegated by the Administrator pursuant to the provisions of this subsection. The Administrator may delegate to the head of any other such agency authority to make purchases and contracts for supplies or services pursuant to the provisions of this title (A) for the use of two or more executive agencies or (B) in other cases upon a determination by the Administrator that by reason of circumstances set forth in such determination such delegation is advantageous to the Government in terms of economy, efficiency, or national security. Notice of every such delegation of authority so made shall be furnished to the General Accounting Office.

"(b) It is the declared policy of the Congress that a fair proportion of the total purchases and contracts for supplies and services for the Government shall be placed with small-business concerns. Whenever it is proposed to make a contract or purchase in excess of \$10,000 by negotiation and without advertising, pursuant to the authority of paragraph (7) or (8) of section 302 (c) of this title, suitable advance publicity, as determined by the agency head with due regard to the type of supplies involved and other relevant considerations, shall be given for a period of at least fifteen days, wherever practicable, as determined by the agency head.

"(c) All purchases and contracts for supplies and services shall be made by advertising, as provided in section 303, except that such purchases and contracts may be negotiated by the agency head without advertising if—

"(1) determined to be necessary in the public interest during the period of a national emergency declared by the President or by the Congress;

"(2) the public exigency will not admit of the delay incident to advertising;

"(3) the aggregate amount involved does not exceed \$1,000: *Provided*, That no agency other than the General Services Administration shall make any purchase of, or contract for, supplies or services in excess of \$500 under this paragraph except in the exercise of authority conferred by the Administrator to procure and furnish supplies and services for the use of two or more executive agencies;

"(4) for personal or professional services;

"(5) for any service to be rendered by any university, college, or other educational institution;

"(6) the supplies or services are to be procured and used outside the limits of the United States and its possessions;

"(7) for medicines or medical supplies;

"(8) for supplies purchased for authorized resale;

"(9) for supplies or services for which it is impracticable to secure competition;

"(10) the agency head determines that the purchase or contract is for experimental, developmental, or research work, or for the manufacture or furnishing of supplies for experimentation, development, research, or test: *Provided*, That beginning six months after the effective date of this title and at the end of each six-month period thereafter, there shall be furnished to the Congress a report setting forth the name of each contractor with whom a contract has been entered into pursuant to this paragraph (10) since the date of the last such report, the amount of the contract, and, with due consideration given to the national security, a description of the work required to be performed thereunder;

"(11) for supplies or services as to which the agency head determines that the character, ingredients, or components thereof are such that the purchase or contract should not be publicly disclosed;

"(12) for equipment which the agency head determines to be technical equipment, and as to which he determines that the procurement thereof without advertising is necessary in special situations or in particular localities in order to assure standardization of equipment and interchangeability of parts and that such standardization and interchangeability is necessary in the public interest;

"(13) for supplies or services as to which the agency head determines that bid prices after advertising therefor are not reasonable (either as to all or as to some part of the requirements or have not been independently arrived at in open competition: *Provided*, That no negotiated purchase or contract may be entered into under this paragraph after the rejection of all or some of the bids received unless (A) notification of the intention to negotiate and reasonable opportunity to negotiate shall have been given by the agency head to each responsible bidder and (B) the negotiated price is the lowest negotiated price offered by any responsible supplier; or

"(14) otherwise authorized by law.

"(d) If in the opinion of the agency head bids received after advertising evidence any violation of the antitrust laws he shall refer such bids to the Attorney General for appropriate action.

"(e) This section shall not be construed to (A) authorize the erection, repair, or furnishing of any public building or public improvement, but such authorization shall be required in the same manner as heretofore, or (B) permit any contract for the construction or repair of buildings, roads, sidewalks, sewers, mains, or similar items to be negotiated without advertising as required by section 303, unless such contract is to be performed outside the continental United States or unless negotiation of such contract is authorized by the provisions of paragraph (1), (2), (3), (9), (10), (11), or (13) of subsection (c) of this section.

"ADVERTISING REQUIREMENTS"

"SEC. 303. Whenever advertising is required—

"(a) The advertisement for bids shall be made a sufficient time previous to the purchase or contract, and specifications and invitations for bids shall permit such full and free competition as is consistent with the procurement of types of supplies and services necessary to meet the requirements of the agency concerned.

"(b) All bids shall be publicly opened at the time and place stated in the advertisement. Award shall be made with reasonable promptness by written notice to that responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Government, price and other factors considered: *Provided*, That all bids may be rejected when the agency head determines that it is in the public interest so to do.

"REQUIREMENTS OF NEGOTIATED CONTRACTS"

"SEC. 304. (a) Except as provided in subsection (b) of this section, contracts negotiated pursuant to section 302 (c) may be of any type which in the opinion of the agency head will promote the best interests of the Government. Every contract negotiated pursuant to section 302 (c) shall contain a suitable warranty, as determined by the agency head, by the contractor that no person or selling agency has been employed or retained to solicit or secure such contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the contractor for the purpose of securing business, for the breach or violation of which warranty the Government shall have the right to annul such contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

"(b) The cost-plus-a-percentage-of-cost system of contracting shall not be used, and in the case of a cost-plus-a-fixed-fee contract the fee shall not exceed 10 per centum of the estimated cost of the contract, exclusive of the fee, as determined by the agency head at the time of entering into such contract (except that a fee not in excess of 15 per centum of such estimated cost is authorized in any such contract for experimental, developmental, or research work and that a fee inclusive of the contractor's costs and not in excess of 6 per centum of the estimated cost, exclusive of fees, as determined by the agency head at the time of entering into the contract of the project to which such fee is applicable is authorized in contracts for architectural or engineering services relating to any public works or utility project). Neither a cost nor a cost-plus-a-fixed-fee contract nor an incentive-type contract shall be used unless the agency head determines that such method of contracting is likely to be less costly than other methods or that it is impractical to secure supplies or services of the kind or quality required without the use of a cost or cost-plus-a-fixed-fee contract or an incentive-type contract. All cost and cost-plus-a-fixed-fee contracts shall provide for advance notification by the contractor to the procuring agency of any subcontract thereunder on a cost-plus-a-fixed-fee basis and of any fixed-price subcontract or purchase order which exceeds in dollar amount either \$25,000 or 5 per centum of the total estimated cost of the prime contract; and a procuring agency, through any authorized representative thereof, shall have the right to inspect the plans and to audit the books and records of any prime contractor or subcontractor engaged in the performance of a cost or cost-plus-a-fixed-fee contract.

"ADVANCE PAYMENTS"

"SEC. 305. (a) The agency head may make advance payments under negotiated contracts heretofore or hereafter executed in any amount not exceeding the contract price upon such terms as the parties shall agree: *Provided*, That advance payments shall be made only upon adequate security and if the agency head determines that provision for such advance payments is in the public in-

terest or in the interest of the national defense and is necessary and appropriate in order to procure required supplies or services under the contract.

"(b) The terms governing advance payments may include as security provision for, and upon inclusion of such provision there shall thereby be created, a lien in favor of the Government, paramount to all other liens, upon the supplies contracted for, upon the credit balance in any special account in which such payments may be deposited and upon such of the material and other property acquired for performance of the contract as the parties shall agree.

"WAIVER OF LIQUIDATED DAMAGES

"SEC. 306. Whenever any contract made on behalf of the Government by the agency head or by officers authorized by him so to do includes a provision for liquidated damages for delay, the Comptroller General on the recommendation of the agency head is authorized and empowered to remit the whole or any part of such damages as in his discretion may be just and equitable.

"ADMINISTRATIVE DETERMINATIONS AND DELEGATIONS

"SEC. 307. (a) The determinations and decisions provided in this title to be made by the Administrator or other agency head may be made with respect to individual purchases and contracts or with respect to classes of purchases or contracts, and shall be final. Except as provided in subsection (b) of this section, the agency head is authorized to delegate his powers provided by this title, including the making of such determinations and decisions, in his discretion and subject to his direction, to any other officer or officers or officials of the agency.

"(b) The power of the agency head to make the determinations or decisions specified in paragraphs (11) and (12) of section 302 (c) and in section 305 (a) shall not be delegable, and the power to make the determinations or decisions specified in paragraph (10) of section 302 (c) shall be delegable only to a chief officer responsible for procurement and only with respect to contracts which will not require the expenditure of more than \$25,000. The power of the Administrator to make the delegations and determinations specified in section 302 (a) shall be delegable only to the Deputy Administrator or to the chief official of any principal organizational unit of the General Services Administration.

"(c) Each determination or decision required by paragraphs (10), (11), (12), or (13) of section 302 (c), by section 304 or by section 305 (a) shall be based upon written findings made by the official making such determination, which findings shall be final and shall be available within the agency for a period of at least six years following the date of the determination. A copy of the findings shall be submitted to the General Accounting Office with the contract.

"(d) In any case where any purchase or contract is negotiated pursuant to the provisions of section 302 (c), except in a case covered by paragraphs (2), (3), (4), (5), or (6) thereof, the data with respect to the negotiation shall be preserved in the files of the agency for a period of six years following final payment on such contract.

"STATUTES CONTINUED IN EFFECT

"SEC. 308. No purchase or contract shall be exempt from the Act of June 30, 1936 (49 Stat. 2036, as amended; 41 U. S. C. 35 to 45), or from the Act of March 3, 1931 (46 Stat. 1494, as amended; 40 U. S. C. 276a to 276a-6), solely by reason of having been entered into pursuant to section 302 (c) hereof without advertising, and the provisions of said Acts and of the Act of June 19, 1912 (37 Stat. 137, as amended; 40 U. S. C. 324 and 325a), if otherwise applicable, shall apply to such purchases and contracts.

"DEFINITIONS

"SEC. 309. As used in this title—

"(a) The term 'agency head' shall mean the head or any assistant head of any executive agency, and may at the option of the Administrator include the chief official of any principal organizational unit of the General Services Administration.

"(b) The term 'supplies' shall mean all property except land, and shall include, by way of description and without limitation, public works, buildings, facilities, ships, floating equipment, and vessels of every character, type and description (except in the categories of naval vessels named in section 3 (d)), aircraft, parts, accessories, equipment, machine tools and alteration or installation thereof.

"STATUTES NOT APPLICABLE

"SEC. 310. The following provisions of law shall not apply to the procurement of supplies or services (1) by the General Services Administration, or (2) within the scope of authority delegated by the Administrator to any other executive agency:

"Revised Statutes, section 3709, as amended (41 U. S. C. 5);

"Revised Statutes, section 3735 (41 U. S. C. 13);

"Sections 1 and 2 of the Act of October 10, 1940 (54 Stat. 1109, as amended; 41 U. S. C. 6 and 6a).

"TITLE IV—FOREIGN EXCESS PROPERTY

"DISPOSAL OF FOREIGN EXCESS PROPERTY

"SEC. 401. Each executive agency having foreign excess property shall be responsible for the disposal thereof: *Provided*, That (a) the head of each such executive agency shall, with respect to the disposition of such property, conform to the foreign policy of the United States; (b) the Secretary of State shall have the authority to use foreign currencies and credits acquired by the United States under section 402 (b) of this Act in order to effectuate the purposes of section 32 (b) (2) of the Surplus Property Act of 1944, as amended, and the Foreign Service Buildings Act of May 7, 1926, as amended (including Public Law 547, Seventy-ninth Congress (60 Stat. 663)), and for the purpose of paying any other governmental expenses payable in local currencies, and the authority to amend, modify, and renew agreements in effect on the effective date of this Act; (c) any foreign currencies or credits acquired by the Department of State pursuant to such agreements shall be administered in accordance with procedures that may from time to time be established by the Secretary of the Treasury and, if and when reduced to United States currency, shall be covered into the Treasury as miscellaneous receipts; and (d) the Department of State shall, except to such extent as the President shall otherwise determine, continue to perform other functions with respect to agreements for the disposal of foreign excess property in effect on the effective date of this Act.

"METHODS AND TERMS OF DISPOSAL

"SEC. 402. Foreign excess property may be disposed of (a) by sale, exchange, lease, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the head of the executive agency concerned deems proper; but in no event shall any property be sold without a condition forbidding its importation into the United States, unless the Secretary of Agriculture (in the case of any agricultural commodity, food, or cotton or woolen goods) or the Secretary of Commerce (in the case of any other property) determines that the importation of such property would relieve domestic shortages or otherwise be beneficial to the economy of this country, or (b) for foreign currencies or credits, or substantial benefits or the discharge of claims

resulting from the compromise or settlement of such claims by any executive agency in accordance with the law, whenever the head of the executive agency concerned determines that it is in the interest of the United States to do so. Such property may be disposed of without advertising when the head of the executive agency concerned finds so doing to be most practicable and to be advantageous to the Government. The head of each executive agency responsible for the disposal of foreign excess property may execute such documents for the transfer of title or other interest in property and take such other action as he deems necessary or proper to dispose of such property; and may authorize the abandonment, destruction, or donation of foreign excess property under his control which has no commercial value or the estimated cost of care and handling of which would exceed the estimated proceeds from its sale.

"PROCEEDS, FOREIGN CURRENCIES

"SEC. 403. Proceeds from the sale, lease, or other disposition of foreign excess property, (a) shall, if in the form of foreign currencies or credits, be administered in accordance with procedures that may from time to time be established by the Secretary of the Treasury, and (b) shall, if in United States currency, or when any proceeds in foreign currencies or credits shall be reduced to United States currency, be covered into the Treasury as miscellaneous receipts: *Provided*, That the provisions of section 204 (b) (which by their terms apply to property disposed of under title II) shall be applicable to proceeds of foreign excess property disposed of for United States currency under this title IV: *And provided further*, That any executive agency disposing of foreign excess property under this title (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

"MISCELLANEOUS PROVISIONS

"SEC. 404. (a) The President may prescribe such policies, not inconsistent with the provisions of this title, as he shall deem necessary to effectuate the provisions of this title, which provisions shall guide each executive agency in carrying out its functions hereunder.

"(b) Any authority conferred upon any executive agency or the head thereof by the provisions of this title may be delegated, and successive redelegation thereof may be authorized, by such head to any official in such agency or to the head of any other executive agency.

"(c) The head of each executive agency responsible for the disposal of foreign excess property hereunder may, as may be necessary to carry out his functions under this title, (1) subject to the civil-service and classification laws, appoint and fix the compensation of personnel, and (2) without regard to the civil-service and classification laws, appoint and fix the compensation of personnel outside the continental limits of the United States.

"(d) The head of each executive agency responsible for the disposal of foreign excess property under this title shall submit a report to Congress in January of each year or at such other time or times as he may deem desirable relative to its activities under this title, together with any appropriate recommendations.

"(e) There shall be transferred from the Department of State to each other executive agency affected by this title such records,

property, personnel, obligations, commitments, and unexpended balances of appropriations, allocations, and other funds, available or to be made available, as the Director of the Bureau of the Budget shall determine to relate to functions of such agency under this title which have heretofore been administered by the Department of State.

"TITLE V—GENERAL PROVISIONS

"APPLICABILITY OF EXISTING PROCEDURES

"SEC. 501. All policies, procedures, and directives prescribed—

"(a) by either the Director, Bureau of Federal Supply, or the Secretary of the Treasury and relating to any function transferred to or vested in the Administrator, by the provisions of this Act;

"(b) by any officer of the Government under the authority of the Surplus Property Act of 1944, as amended, or under other authority with respect to surplus property or foreign excess property;

"(c) by or under authority of the Federal Works Administrator or the head of any constituent agency of the Federal Works Agency; and

"(d) by the Archivist of the United States or any other officer or body whose functions are transferred by title I of this Act,

in effect upon the effective date of this Act and not inconsistent herewith, shall remain in full force and effect unless and until superseded, or except as they may be amended, under the authority of this Act or under other appropriate authority.

REPEAL AND HOUSING PROVISIONS

"SEC. 502. (a) There are hereby repealed—

"(1) the Surplus Property Act of 1944, as amended (except sections 13 (d), 13 (g), 13 (h), 28, and 32 (b) (2)), and sections 501 and 502 of Reorganization Plan Numbered 1 of 1947: *Provided*, That, with respect to the disposal under this Act of any surplus real estate, all priorities and preferences provided for in said Act, as amended, shall continue in effect until 12 o'clock noon (eastern standard time), December 31, 1949;

"(2) that portion of the Act entitled 'An Act making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes', approved June 30, 1948 (Public Law 862, Eightieth Congress), as amended, appearing under the caption 'Surplus property disposal';

"(3) the Act entitled 'An Act to authorize the Secretary of War to dispose of material no longer needed by the Army', approved February 28, 1936 (49 Stat. 1147; 10 U. S. C. 1258);

"(4) the Act entitled 'An Act to authorize the Secretary of the Navy to dispose of material no longer needed by the Navy', approved May 23, 1930, as amended (46 Stat. 378; 34 U. S. C. 546c);

"(5) section 5 of the Act of July 11, 1919 (41 Stat. 67; 40 U. S. C. 311);

"(6) the first and second provisos contained in the fifth paragraph under the heading 'Division of Supply' in section 1 of the Act of December 20, 1928 (45 Stat. 1030; 40 U. S. C. 311a);

"(7) the Act entitled 'An Act to authorize the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force to donate excess and surplus property for educational purposes', approved July 2, 1948 (Public Law 889, Eightieth Congress);

"(8) section 203 of the Act of June 26, 1943 (57 Stat. 195, as amended; 5 U. S. C. 118d-1);

"(9) the Act of April 15, 1937 (50 Stat. 64; 5 U. S. C. 118d);

"(10) the second proviso contained in the paragraph of the Act of August 10, 1912 (37 Stat. 296; 5 U. S. C. 545), headed 'Contingent expenses, Department of Agriculture';

"(11) the second proviso contained in the twentieth paragraph of section 1 of the Act

of March 2, 1917 (39 Stat. 973; 5 U. S. C. 494);

"(12) the twenty-sixth paragraph under the heading 'National Parks' of the Act of January 24, 1923 (42 Stat. 1215; 16 U. S. C. 9);

"(13) the fifth paragraph under the heading 'Experiments and demonstrations in livestock production in the cane-sugar and cotton districts of the United States' of the Act of June 30, 1914 (38 Stat. 441; 5 U. S. C. 546);

"(14) the proviso contained in the second paragraph under the heading 'Library, Department of Agriculture' of the Act of March 4, 1915 (38 Stat. 1107; 5 U. S. C. 548);

"(15) the second proviso contained in the second paragraph under the heading 'Clothing and camp and garrison equipage' of section 1 of the Act of August 29, 1916 (39 Stat. 635; 10 U. S. C. 1271);

"(16) the Act of May 11, 1939 (53 Stat. 739; 10 U. S. C. 1271a);

"(17) the fifth paragraph under the heading 'Office of the Chief Signal Officer' of the Act of May 12, 1917 (40 Stat. 43, as amended; 10 U. S. C. 1272);

"(18) the third proviso contained in the second paragraph under the heading 'Office of the Chief Signal Officer' of the Act of March 4, 1915 (38 Stat. 1064; 10 U. S. C. 1273);

"(19) the fourteenth paragraph under the heading 'Smithsonian Institution' of section 1 of the Act of March 3, 1915 (38 Stat. 839; 20 U. S. C. 66);

"(20) the second paragraph under the heading 'Government hospital for the insane' of section 1 of the Act of August 1, 1914 (38 Stat. 649; 24 U. S. C. 173);

"(21) the second paragraph under the heading 'Saint Elizabeths Hospital' of section 1 of the Act of June 12, 1917 (40 Stat. 153; 24 U. S. C. 174);

"(22) the proviso contained in the second paragraph under the heading 'Bureau of Supplies and Accounts' of the Act of August 22, 1912 (37 Stat. 346; 34 U. S. C. 531a);

"(23) the second proviso of the first paragraph under the heading 'Bureau of Yards and Docks' of the Act of August 29, 1916 (34 U. S. C. 532);

"(24) the proviso contained in the second paragraph under the heading 'Maintenance, Quartermaster's Department, Marine Corps' of the Act of March 4, 1917 (39 Stat. 1189; 34 U. S. C. 723);

"(25) the twentieth paragraph under the heading 'Bureau of Mines' of section 1 of the Act of July 19, 1919 (41 Stat. 200; 40 U. S. C. 118);

"(26) the first sentence of section 5 of the Act of March 4, 1915 (38 Stat. 1161; 41 U. S. C. 26);

"(27) the third paragraph under the heading 'Interstate Commerce Commission' of section 1 of the Act of August 1, 1914 (38 Stat. 627; 49 U. S. C. 58);

"(28) the Act of June 6, 1941 (55 Stat. 247; 14 U. S. C. 31b);

"(29) section 4 of the Act of June 17, 1910 (36 Stat. 531; 41 U. S. C. 7);

"(30) the Act of February 27, 1929 (45 Stat. 1341; 41 U. S. C. 7a, 7b, 7c, and 7d); and

"(31) section 1 of the Act of May 14, 1935 (49 Stat. 234; 41 U. S. C. 7c-1)."

"(b) The provisions of the first, third, and fifth paragraphs of section 1 of Executive Order Numbered 6166 of June 10, 1933, are hereby superseded, insofar as they relate to any function now administered by the Bureau of Federal Supply except functions with respect to standard contract forms.

"(c) The authority conferred by this Act is in addition to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent herewith, except that sections 205 (b) and 206 (c) of this Act shall not be applicable to any Government corporation or agency which

is subject to the Government Corporation Control Act (59 Stat. 597; 31 U. S. C. 841).

"(d) Nothing in this Act shall impair or affect any authority of—

"(1) the President under the Philippine Property Act of 1946 (60 Stat. 418; 22 U. S. C. 1381);

"(2) any executive agency with respect to any phase (including, but not limited to, procurement, storage, transportation, processing, and disposal) of any program conducted for purposes of resale, price supports, grants to farmers, stabilization, transfer to foreign governments, or foreign aid, relief, or rehabilitation: *Provided*, That the agency carrying out such program shall, to the maximum extent practicable, consistent with the fulfillment of the purposes of the program and the effective and efficient conduct of its business, coordinate its operations with the requirements of this Act and the policies and regulations prescribed pursuant thereto;

"(3) any executive agency named in the Armed Services Procurement Act of 1947, and the head thereof, with respect to the administration of said Act;

"(4) the National Military Establishment with respect to property required for or located in occupied territories;

"(5) the Secretary of Defense with respect to the administration of the National Industrial Reserve Act of 1948;

"(6) the Secretary of Defense, the Munitions Board, and the Secretaries of the Army, Navy, and Air Force with respect to the administration of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596), and provided that any imported materials which the authorized procuring agency shall certify to the Commissioner of Customs to be strategic and critical materials procured under said Act may be entered, or withdrawn from warehouse, free of duty;

"(7) the Secretary of State under the Foreign Service Buildings Act of May 7, 1926, as amended;

"(8) the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force with respect to the administration of section 1 (b) of the Act entitled 'An Act to expedite the strengthening of the national defense', approved July 2, 1940 (54 Stat. 712);

"(9) the Secretary of Agriculture or the Department of Agriculture under (A) the National School Lunch Act (60 Stat. 230); (B) the Farmers Home Administration Act of 1946 (60 Stat. 1062); (C) the Act of August 31, 1947, Public Law 298, Eightieth Congress, with respect to the disposal of labor supply centers, and labor homes, labor camps, or facilities; (D) section 32 of the Act of August 24, 1935 (49 Stat. 774), as amended, with respect to the exportation and domestic consumption of agricultural products; or (E) section 201 of the Agricultural Adjustment Act of 1938 (52 Stat. 36) or section 203 (j) of the Agricultural Marketing Act of 1946 (60 Stat. 1082);

"(10) the Secretary of Agriculture, Farm Credit Administration, or any farm credit board under section 6 (b) of the Farm Credit Act of 1937 (50 Stat. 706), with respect to the acquisition or disposal of property;

"(11) the Housing and Home Finance Agency, or any officer or constituent agency therein, with respect to the disposal of residential property, or of other property (real or personal) held as part of or acquired for or in connection with residential property, or in connection with the insurance of mortgages, loans, or savings and loan accounts under the National Housing Act;

"(12) the Tennessee Valley Authority with respect to nonpersonal services, with respect to the matters referred to in section 201 (a) (4), and with respect to any property acquired or to be acquired for or in connection with any program of processing, manufacture, production, or force account construc-

tion: *Provided*, That the Tennessee Valley Authority shall to the maximum extent that it may deem practicable, consistent with the fulfillment of the purpose of its program and the effective and efficient conduct of its business, coordinate its operations with the requirements of this Act and the policies and regulations prescribed pursuant thereto;

"(13) the Atomic Energy Commission;

"(14) the Administrator of Civil Aeronautics or the Chief of the Weather Bureau with respect to the disposal of airport property and airway property for use as such property. For the purpose of this paragraph the terms 'airport property' and 'airway property' shall have the respective meanings ascribed to them in the International Aviation Facilities Act (62 Stat. 450);

"(15) the Postmaster General or the Postal Establishment with respect to the means and methods of distribution and transportation of the mails, and contracts, negotiations, and proceedings before Federal and State regulatory and rate-making bodies, relating to the transportation of the mails;

"(16) the United States Maritime Commission with respect to the construction, reconstruction, and reconditioning (including outfitting and equipping incident to the foregoing), the acquisition, procurement, operation, maintenance, preservation, sale, lease, or charter of any merchant vessel or of any shipyard, ship site, terminal, pier, dock, warehouse, or other installation necessary or appropriate for the carrying out of any program of such Commission authorized by law, or nonadministrative activities incidental thereto: *Provided*, That the United States Maritime Commission shall to the maximum extent that it may deem practicable, consistent with the fulfillment of the purposes of such programs and the effective and efficient conduct of such activities, coordinate its operations with the requirements of this Act, and the policies and regulations prescribed pursuant thereto;

"(17) Central Intelligence Agency;

"(18) except as provided in subsections (a) and (b) hereof, any other law relating to the procurement, utilization, or disposal of property: *Provided*, That, subject to, and within the scope of authority conferred on the Administrator by other provisions of this Act, he is authorized to prescribe regulations to govern any procurement, utilization, or disposal of property under any such law, whenever but only to the extent he deems such action necessary to effectuate the provisions of title II; nor

"(19) for such period of time as the President may specify, any other authority of any executive agency which the President determines within one year after the effective date of this Act should, in the public interest, stand unimpaired by this Act.

"(e) Section 3709, Revised Statutes, as amended (41 U. S. C. 5), is amended by striking out '\$100' wherever it appears therein and inserting in lieu thereof '\$500'.

"AUTHORIZATIONS FOR APPROPRIATIONS AND TRANSFER AUTHORITY

"SEC. 503. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

"(b) When authorized by the Director of the Bureau of the Budget, any Federal agency may use, for the disposition of property under this Act, and for its care and handling pending such disposition, any funds heretofore or hereafter appropriated, allocated, or available to it for purposes similar to those provided for in sections 201, 202, 203, and 205 of this Act.

"SEPARABILITY

"SEC. 504. If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of this Act, and the application of such pro-

vision to other persons or circumstances, shall not be affected thereby.

"EFFECTIVE DATE

"SEC. 505. This Act shall become effective on July 1, 1949, except that the provisions of section 502 (a) (2) (repealing prior law relating to the disposition of the affairs of the War Assets Administration) shall become effective on June 30, 1949."

And the Senate agree to same.

WILLIAM L. DAWSON,
CHET HOLIFIELD,
M. G. BURNSIDE,
R. WALTER RIEHLMAN,
RALPH HARVEY,

Managers on the Part of the House.

JOHN L. MCCLELLAN,
JAMES O. EASTLAND,
CLYDE R. HOEY,
JOE MCCARTHY,
IRVING M. IVES,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4754) to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute amendment. The conferees have agreed to a substitute for both the House bill and the Senate amendment. Except for clarifying, clerical and necessary conforming changes, the following statement explains the differences between the House bill and the substitute agreed to in conference.

DESIGNATION OF NAME

The conference substitute provides that the new agency shall be known as the "General Services Administration," as provided in the House bill, rather than as the "General Services Agency," as provided in the Senate amendment. It is desired that the term "Administration" come to be applied only to independent agencies, that do not have Cabinet status, as in the case of the departments, and that are not primarily regulatory bodies as is the case with commissions. This change is effected in harmony with the recognition of the long over-due realignment of elements within the generic governmental term "agency." It is the beginning of proper, and more fittingly descriptive nomenclature, in governmental fields.

APPLICABILITY TO SENATE AND HOUSE

Under the House bill the Senate and House of Representatives were included in the definition of "Federal agency" in section 3 (b). The Senate amendment contained provision excluding the Senate and the House of Representatives from the definition and specifying both Houses of Congress, among the bodies for which the Administrator is to provide procurement and related services, only upon request, as set out under section 201 (b). The substitute adopts the Senate language. Thus the autonomy of the Congress is preserved, except insofar as it shall, upon its request, desire to be included in the procurement and related services.

DESIGNATION OF TEMPORARY ADMINISTRATOR

The House bill provides (sec. 101 (d)) that pending the first appointment of an Administrator of General Services, the President may designate the Federal Works Administrator in office immediately prior to the effective date of the act to serve temporarily as Administrator and receive the compensation

of the General Services Administrator. The Senate amendment provides that the functions of the Administrator shall be performed temporarily by such officer of the Government in office upon, or immediately prior to the effective date of the act as the President shall designate. The substitute adopts the Senate language with the addition of the House provision for compensation, so that in case the incumbent of an abolished office is designated, he will be entitled to receive compensation during the period of his temporary service.

COMPENSATION OF ADMINISTRATOR AND OTHER OFFICERS

Under the House bill (sec. 109) the President is authorized to fix the compensation of the Administrator, the Deputy Administrator, and other named officers, pending the effective date of other provisions of law fixing such compensation, and with regard to existing provisions of law governing such compensation at a rate commensurate with the responsibilities and duties of the respective offices.

The Senate amendment (sec. 101 (e)) authorizes the President to fix the compensation of the Administrator, Deputy Administrator, and heads and assistant heads of the principal organizational units of the General Services Administration at such rates, not in excess of \$15,000 per annum, as he shall deem to be commensurate with responsibilities and duties of the offices. The substitute (sec. 101 (e)) contains compromise language providing that pending the effective date of other provisions of law fixing the compensation of the Administrator, Deputy Administrator, and heads and assistant heads of the principal organizational units, and taking into consideration provisions of law providing the compensation of offices having comparable responsibilities and duties, the President shall fix rates of compensation for each of them which he deems commensurate with the responsibilities and duties of the several offices. Thus the broader application of the Senate provision (to heads and assistant heads of constituent units) is adopted, but the House recognition of the pendency of other salary legislation is retained and a new element requiring consideration of salaries paid to comparable officers is introduced in lieu of the House reference to provisions of existing law governing compensation of the officers named. It should be noted that under other provisions of the substitute discussed in the following paragraph certain of the offices named in the original House provision are abolished.

DISPOSITION OF THE BUREAU OF FEDERAL SUPPLY

The House bill (sec. 102 (a)) transfers the Bureau of Federal Supply, and its functions, records, property, personnel obligations and commitments from the Department of the Treasury to the General Services Administration, also providing for a Commissioner of Federal Supply to be the head of the Bureau of Federal Supply. The Senate amendment transfers the functions, records, personnel, etc., of the Bureau of Federal Supply to the General Services Administrator and abolishes that Bureau and the office of the Director. The substitute follows the Senate amendment in that it provides for the abolition of the Bureau and the office of the Director, but the language has been revised so that functions are transferred to the Administrator, and records, property, personnel obligations and commitments are transferred to the Administration. This framework is in accordance with the recommendations of the Commission on Organization of the Executive Branch of the Government.

FEDERAL WORKS

The House bill would have transferred to the General Services Administration the Public Buildings and Roads Administrations

and all other functions of the Federal Works Agency, and merely abolished the Federal Works Agency and the Offices of the Administrator and Assistant Administrator thereof. The Senate amendment would have transferred Public Roads and abolished not only the Federal Works Agency but also the Public Buildings Administration, and the office of the Commissioner thereof. The conference substitute follows the Senate amendment substantially, though in slightly different language, and, also, transfers the functions of the Commissioner of Public Roads to the Administrator of General Services. The substitute thus conforms to the strong recommendations of the Commission on Government Organization for an integrated organization with all statutory authority and responsibility vested in the head of the organization. For the same reasons the conference substitute has omitted the prior language preserving the Bureau of Community Facilities. Further, the substitute changes the name of Public Roads Administration to Bureau of Public Roads as another step toward standard governmental nomenclature.

ARCHIVES

The House text would have exempted from transfer to the Administrator the functions of the Archivist of the United States, under the act of July 7, 1943, respecting the destruction of certain historical records. The Senate amendment struck out this exemption. The House conferees accepted the Senate version because it conforms to the recommendations of the Commission on Organization that all authority and responsibility be lodged in the head of the agency. For the same reasons, the conferees adopted the House language which transfers to the General Services Administration, the custody of certain Federal funds now held by several bodies connected with the National Archives Establishment, and likewise also transferred to the General Services Administration under both the Senate and House texts.

RECORDS MANAGEMENT

The Senate amendment added as section 104 (c) a new provision authorizing the Administrator (1) to survey and obtain reports on Government records management, (2) to promote improved records-management practices in the Government, including central storage and disposal, and (3) to report to the Congress on such activities. The conference substitute adopts the Senate provision as being a good start towards the improvement of Government records management as recommended by the Commission on Organization of the Executive Branch of the Government.

In connection with internal regrouping and redistribution of functions by the Administrator, the Senate amendment required the approval of the Director of the Bureau of the Budget to the necessary accompanying transfers of funds. It was felt that the authority in this field should not be divided. The conferees, therefore, agreed upon the House text, which authorizes the Administrator to make such transfers of funds and merely requires him to appropriately report such transfers to the Budget Director.

GENERAL SUPPLY FUND

The Senate amendment with respect to the General Supply Fund (sec. 109) establishes a new General Supply Fund and transfers to the Administrator the assets of the present General Supply Fund. The new fund is made available for the procurement of personal property and nonpersonal services for executive agencies. Beginning July 1, 1950, only direct costs of procurement, handling, and distribution are to be paid from the fund and prices fixed by the Administrator are not to include indirect or overhead costs. Until July 1, 1950, prices are to be fixed as now authorized. Provision is made for advance payment by requisitioning agencies; other-

wise, payment is to be made on vouchers in the usual manner, with the transfer and counter warrant method authorized when payment has not been made within 45 days after billing. The fund is a reimbursable fund, and the establishment of a special deposit account for use by disbursing officers is authorized. Upon the annual audit of the fund by the Comptroller General, any surplus found therein (all assets, liabilities, and prior losses considered) above the authorized capital goes to miscellaneous receipts. The Comptroller General is to report the results of each annual audit to the Congress, with any recommendations as to the status and operation of the fund. The fund may be used for the procurement of supplies and nonpersonal services requested by mixed-ownership Government corporations, the District of Columbia and certain non-Federal agencies, but in such cases, the prices charged are to include the estimated indirect as well as direct costs.

The Senate amendment provided that the fund should not be greater than \$100,000,000. With one change to reduce this figure to \$75,000,000, the Senate amendment was accepted in lieu of section 210 (e) of the House bill, which merely amended the present authority by providing that prices charged for supplies or nonpersonal services furnished through the General Supply Fund should be fixed in amounts estimated to represent two items of cost, i. e., purchase price and transportation. It is felt that the Senate amendment reconstituting the existing fund makes possible the simplification of certain procedures and is more desirable.

TRANSPORTATION AND TRAFFIC MANAGEMENT

The Senate conferees receded from the Senate amendment which deleted references to transportation and traffic management in section 201 (a) and which in section 502 (b) provided for the continuance of transportation and traffic management functions under Executive Order 6166. The provision of section 201 (a) of the House bill with respect to transportation and traffic management are in accordance with the Recommendations of the Commission on Organization of the Executive Branch of the Government and provide clear authority on this subject.

PUBLIC UTILITY CONTRACTS FOR MORE THAN 1 YEAR

The Senate amendment to section 201 (3) provides that contracts for public-utility services may be made by the Administrator for periods not exceeding 10 years. The purpose of the amendment is to permit the Government to take advantage of discounts which may be obtained only under contracts for periods of longer than 1 year, particularly under contracts for electric-power requirements. The House conferees are thus in agreement with the Senate amendment.

In section 201 (c) the Senate conferees receded from the language of this subsection as contained in Senate amendment and accepted the House language. This eliminates the proviso in the Senate bill that items of personal property to be exchanged under this subsection must be subject to exchange as a general practice in trade channels.

Subsection 204 (e) is intended to permit any executive agency to accept on a projected basis strategic or critical material, as determined by the Munitions Board, in lieu of cash, in payment of amounts due the Government for rent, interest, or principal installments under leases or sales of surplus property.

The price to be allowed in computing the value of the strategic or critical material, shall be the prevailing market price thereof at the time the cash payment or payments become or became due.

The House conferees accepted the provisions of subsection 204 (f) in the Senate amendment. This subsection makes it clear that the Administrator is authorized to ad-

minister and manage any credit, lease, or permit, and security therefor, taken in connection with the disposition of surplus property, and it authorizes him to enforce, or suitably adjust, or settle the rights of the Government thereto as he considers in the best interest of the Government.

SUPPLY CATALOG PROGRAM

The conferees agreed on adoption of the House language in section 206 (a) (3) whereby provision is set up to establish and maintain such uniform Federal supply catalog system as may be appropriate to identify and classify personal property under the control of Federal agencies, provided, that the Administrator and the Secretary of Defense shall coordinate the cataloging activities of the General Services Administration and the National Military Establishment so as to avoid unnecessary duplication. The House language thus properly coordinates the military and civilian approach to the speedy completion of the present much needed cataloging program. The theme is cooperation.

In section 206 (b) the Senate receded from its amendment limiting the utilization of such uniform Federal supply catalog system and standard specification to executive agencies, in favor of House language applying to it "Federal" agency. The conferees pressed for this foregoing utilization, except as the Administrator, taking into consideration efficiency, economy, and other interests of the Government, shall otherwise provide. Thus the use of the cataloging system is made mandatory by the Federal agencies, and not merely within the discretion of the head of any such agency or agencies.

REPORTS TO CONGRESS

The House bill language in section 210 directed the Administrator to submit a report to Congress, in January of each year and at such other times as he deems it desirable, regarding the administration of his functions under this act, together with such recommendations for amendments to this act as he may deem appropriate as the result of the administration of such functions. At that same time he is directed to cite laws becoming obsolete by reason of passage or operation of the provisions of this act. This latter point is pertinent since the Administrator will be immediately cognizant of such obsolete laws falling within his purview.

The Senate amendment set out in section 502 (f) that the Administrator shall report to the Congress, in January of each year, and at such other times as he may deem it desirable, the laws becoming obsolete by reason of the passage or operation of title II and III of this act.

It was consensus of the conferees that the language and location of the House section 210 was more proper, less restrictive in scope, and would better afford the Congress accurate information for future legislation.

Further, the House bill exempted from the act the special merchant marine programs of the Maritime Commission (but not its general administrative activities). The Senate amendment did not contain this exemption. The House version was agreed to by the conferees as being in conformity with other exemptions of special programs, provided for in both the House bill and the Senate amendment.

In section 502 (a) (1) the House conferees accepted the Senate amendment to this subsection which amendment saves section 13 (d) of the Surplus Property Act of 1944, as amended, from the repealer clause until December 31, 1949. It is the intention of the conferees to save section 13 (d) of the Surplus Property Act of 1944, as amended.

WILLIAM L. DAWSON,
CHET HOLIFIELD,
M. G. BURNSIDE,
R. WALTER RIEHLMAN,
RALPH HARVEY,

Managers on the Part of the House.

Mr. DAWSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H. R. 4754) to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. DAWSON]?

There was no objection.

Mr. DAWSON. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the statement as above set out.

Mr. DAWSON. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. I rise simply to ask some questions. As I understand the purport of this statement and of the conference report, the bill in its final form is very much the same as the measure originally enacted by the House; and, if anything, the conference report has bettered the House measure a bit, and that it carries out at least as far as it goes the recommendations of the so-called Hoover Commission; is that correct?

Mr. DAWSON. The gentleman states perfectly our idea about the bill as it now stands. The conferees reached an agreement easily and the major provisions of the House bill were accepted.

We are deeply indebted to the gentleman from New York [Mr. RIEHLMAN], and the gentleman from Indiana [Mr. HARVEY] who sat in on the conference and added so much to reaching an agreement on the bill.

Mr. BROWN of Ohio. It was generally agreed that the House measure was the most substantial measure.

Mr. DAWSON. Blushingly, we admit that the House measure was the best.

Mr. BROWN of Ohio. I wish to congratulate the House committee and the conferees on the part of the House.

Mr. DAWSON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to. A motion to reconsider was laid on the table.

ADJOURNMENT OVER AND PLACE OF MEETING OF THE HOUSE OF REPRESENTATIVES ON AND AFTER JULY 5, 1949, UNTIL FURTHER NOTICE

Mr. McCORMACK. Mr. Speaker, I offer a privileged resolution (H. Res. 271) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That when this House adjourns on Friday, July 1, 1949, it will adjourn to meet in the caucus room in the New House Office Building on Tuesday, July 5, 1949, and it shall continue to meet there until otherwise ordered.

Resolved, That all rules relating to the Hall of the House shall be applicable to the caucus room.

Resolved, That the Clerk communicate these resolutions to the President of the

United States and to the Senate of the United States.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. SIKES asked and was given permission to address the House for 15 minutes on Thursday next, after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered.

Mr. JAVITS asked and was given permission to address the House for 30 minutes on Wednesday, July 6, after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered.

EXTENSION OF REMARKS

Mr. SMITH of Virginia asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter addressed to him and a copy of his reply.

Mr. MADDEN asked and was given permission to extend his remarks in the RECORD and include an article by Westbrook Pegler, Victor Riesel, an article from the Pittsburgh Press, the Indianapolis Times, the Indianapolis Star, and a letter from Asa J. Smith.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD in three instances.

Mr. DONOHUE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

Mr. MULTER asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and include extraneous matter.

Mr. BLATNIK asked and was given permission to extend his remarks in the Appendix of the RECORD and include a news item.

Mr. BOLTON of Maryland asked and was given permission to extend his remarks in the RECORD.

Mr. HAVENNER asked and was given permission to extend his remarks in the RECORD and include an editorial from the Alameda Times-Star.

Mr. WIER asked and was given permission to extend his remarks in the RECORD and include an article from a Minneapolis paper in reference to the Minneapolis school system.

Mr. LINEHAN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. McCARTHY asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. BUCHANAN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an exchange of letters between the mayor of Baltimore and Representative BOLTON of Maryland.

Mr. FLOOD asked and was given permission to extend his remarks in the RECORD in three instances and include a speech by the judge advocate of the Marine Corps on June 18, 1949, an Anthracite Institute bulletin, and an editorial from the Wilkes-Barre Times-Leader of May 20, 1949.

Mr. POULSON and Mr. HOFFMAN of Michigan asked and were given permis-

sion to extend their remarks in the RECORD.

Mr. McDONOUGH asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. HILL asked and was given permission to extend his remarks in the RECORD and include three petitions.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD and include an address by Ambassador Romulo, notwithstanding that it exceeded two pages of the RECORD and, according to the Public Printer, cost \$200 to print.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. KEARNS (at the request of Mr. GRAHAM), indefinitely, on account of critical illness in the immediate family.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3198. An act to amend the act of June 18, 1929; and

H. J. Res. 235. Joint resolution to continue the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes.

ADJOURNMENT

Mr. RABAUT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 24 minutes p. m.), under its previous order, the House adjourned until tomorrow, Wednesday, June 29, 1949, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

724. A letter from the Comptroller General of the United States, transmitting a report on the audit of Home Owners' Loan Corporation for the fiscal year ended June 30, 1948 (H. Doc. No. 244); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

725. A letter from the Comptroller General of the United States, transmitting a report on the audit of Veterans Canteen Service for the period August 7, 1946, to June 30, 1947 (H. Doc. No. 245); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

726. A letter from the Administrator, Federal Works Agency, transmitting a report by the Federal Works Agency, Public Buildings Administration, relating to public building construction projects outside the District of Columbia (H. Doc. No. 246); to the Committee on Public Works and ordered to be printed.

727. A letter from the Secretary of Agriculture, transmitting the report on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease for the month of April 1949; to the Committee on Agriculture.

728. A letter from the Secretary of Defense, transmitting a letter by the Acting Secretary of the Navy recommending the enactment of a proposed draft of legislation entitled "A bill to authorize the Departments

of the Army, Navy, and Air Force to participate in the transfer of certain real property or interests therein, and for other purposes"; to the Committee on Armed Services.

729. A letter from the Under Secretary of the Interior, transmitting one certified copy each of certain ordinances enacted by the Public Service Commission of Puerto Rico; to the Committee on Public Lands.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PETERSON: Committee on Public Lands. H. R. 2869. A bill to authorize an appropriation in aid of a system of drainage and sanitation for the city of Polson, Mont.; with an amendment (Rept. No. 932). Referred to the Committee of the Whole House on the State of the Union.

Mr. REGAN: Committee on Public Lands. H. R. 3285. A bill authorizing the replacement and reconstruction by the Bureau of Reclamation of certain bridges across the Franklin canal of the Rio Grande project of the Bureau of Reclamation, within the city of El Paso, Tex., and authorizing appropriation for that purpose; with an amendment (Rept. No. 933). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Public Lands. H. R. 5034. A bill to authorize the taxation of Indian land holdings in the town of Lodge Grass, Mont., to assist in financing a municipal water supply and sewerage system; with an amendment (Rept. No. 934). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee of conference. H. R. 4754. A bill to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes (Rept. No. 935). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DENTON: Committee on the Judiciary. S. 40. An act for the relief of William D. Norris; without amendment (Rept. No. 921). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 660. A bill for the relief of Julia Busch; without amendment (Rept. No. 922). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 734. A bill for the relief of Curtis R. Enos; without amendment (Rept. No. 923). Referred to the Committee of the Whole House.

Mr. FRAZIER: Committee on the Judiciary. H. R. 1105. A bill for the relief of Hazel L. Giles; without amendment (Rept. No. 924). Referred to the Committee of the Whole House.

Mr. FRAZIER: Committee on the Judiciary. H. R. 1864. A bill for the relief of the legal guardian of Mitsuo Higa, a minor; with an amendment (Rept. No. 925). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 2091. A bill for the relief of Jack McCollum; without amendment (Rept. No. 926). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 2239. A bill for the relief of the estate of W. M. West; with an

amendment (Rept. No. 927). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 23. Concurrent resolution favoring the suspension of deportation of certain aliens; with an amendment (Rept. No. 928). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 24. Concurrent resolution favoring the suspension of deportation of certain aliens; without amendment (Rept. No. 929). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 25. Concurrent resolution favoring the suspension of deportation of certain aliens; without amendment (Rept. No. 930). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 27. Concurrent resolution favoring the suspension of deportation of certain aliens; without amendment (Rept. No. 931). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GRANGER:

H. R. 5362. A bill to authorize the Secretary of the Interior to exchange certain Navajo tribal Indian land for certain Utah State land; to the Committee on Public Lands.

By Mr. FARRINGTON:

H. R. 5363. A bill relating to strikes or lock-outs imperiling the health, safety, or welfare of the Territories or possessions of the United States; to the Committee on Education and Labor.

By Mr. JOHNSON:

H. R. 5364. A bill to authorize and direct the Secretary of the Army to accept the Croix de Guerre from the Government of France on behalf of the Seventh Armored Division; to the Committee on Armed Services.

By Mr. LARCADE:

H. R. 5365. A bill to provide for the transfer of the vessel *Black Mallard* to the State of Louisiana for the use and benefit of the department of wildlife and fisheries of such State; to the Committee on Public Lands.

By Mr. MEYER:

H. R. 5366. A bill to extend indefinitely the period in which title I of the Agricultural Act of 1948 shall be applicable; to the Committee on Agriculture.

By Mr. TAURIELLO:

H. R. 5367. A bill to provide for direct Federal loans to meet the housing needs of moderate-income families, to provide liberalized credit to reduce the cost of housing for such families, and for other purposes; to the Committee on Banking and Currency.

By Mr. VINSON:

H. R. 5368. A bill to authorize the Departments of the Army, Navy, and Air Force to participate in the transfer of certain real property or interests therein, and for other purposes; to the Committee on Armed Services.

By Mr. KEARNEY:

H. R. 5369. A bill to amend the act entitled "An act to prohibit the unauthorized wearing, manufacture, or sale of medals and badges awarded by the War Department," as amended; to the Committee on Armed Services.

By Mr. POTTER:

H. R. 5370. A bill to make more adequate provision for the return to remunerative employment of disabled persons, to amend the Vocational Rehabilitation Act, as amended (U. S. C., 1946 ed., title 29, ch. 4), to amend the Randolph-Sheppard Act (U. S. C., 1946 ed., title 20, ch. 6A), to authorize grants-in-aid to the States for special programs for

the blind and other severely disabled persons; to the Committee on Education and Labor.

By Mr. O'TOOLE:

H. R. 5371. A bill to provide for direct Federal loans to meet the housing needs of moderate-income families, to provide liberalized credit to reduce the cost of housing for such families, and for other purposes; to the Committee on Banking and Currency.

By Mr. CASE of South Dakota:

H. R. 5372. A bill to authorize the negotiation, approval, and ratification of separate settlement contracts with the Sioux Indians of Cheyenne River Reservation in South Dakota and of Standing Rock Reservation in South Dakota and North Dakota for Indian lands and rights acquired by the United States for the Oahe Dam and Reservoir, Missouri River development, and for other related purposes; to the Committee on Public Lands.

By Mr. POULSON:

H. J. Res. 282. Joint resolution to appoint a board of engineers to examine and report upon the proposed central Arizona project; to the Committee on Public Lands.

By Mr. CANNON:

H. J. Res. 283. Joint resolution making temporary appropriations for the fiscal year 1950, and for other purposes; to the Committee on Appropriations.

By Mr. FOGARTY:

H. Res. 270. Resolution declaring it to be the sense of this House of Representatives that the Republic of Ireland should embrace the entire territory of Ireland; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COUDERT:

H. R. 5373. A bill for the relief of Michael Arlen, Atalanta Arlen, Michael John Arlen, and Venetia Arlen; to the Committee on the Judiciary.

By Mr. GOODWIN:

H. R. 5374. A bill for the relief of Mrs. Angiolina Bertorelli Zanelli; to the Committee on the Judiciary.

By Mr. MCCORMACK:

H. R. 5375. A bill for the relief of Mrs. Hilda De Silva; to the Committee on the Judiciary.

By Mr. JOSEPH L. PFEIFER:

H. R. 5376. A bill for the relief of Luigi Cagliani; to the Committee on the Judiciary.
H. R. 5377. A bill for the relief of Jose Del Rio; to the Committee on the Judiciary.

By Mr. O'TOOLE (by request):

H. R. 5378. A bill for the relief of Luigi Tufano; to the Committee on the Judiciary.

By Mr. EVINS:

H. R. 5379. A bill to provide for the erection of a memorial at the grave of Elizabeth Daniel, the widow of Joseph (Job) Daniel, a Revolutionary War soldier; to the Committee on House Administration.

By Mr. GARY:

H. R. 5380. A bill for the relief of Thomas J. Smith; to the Committee on the Judiciary.

By Mr. JENNINGS:

H. R. 5381. A bill for the relief of Billy Ray Ridenour and L. L. Ridenour; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1190. By Mrs. NORTON: Petition of Star of the Sea Council, No. 371, Knights of Columbus, Bayonne, N. J., opposing the enactment of the Barden bill, H. R. 4643; to the Committee on Education and Labor.

1191. By the SPEAKER: Petition of Mrs. Theta A. Cook and others, Venice, Calif., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1192. Also, petition of Mrs. Mary A. Erdman and others, Paso Robles, Calif., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1193. Also, petition of William Robbins and others, Quincy, Ill., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1194. Also, petition of Mrs. Elizabeth Starks and others, Chambersburg, Pa., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1195. Also, petition of Jack Yost and others, Turtle Creek, Pa., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1196. Also, petition of Mrs. Clara E. Gentry and others, Marysville, Wash., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1197. Also, petition of Charles V. West and others, Tacoma, Wash., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1198. Also, petition of Charles R. Kemp and others, Tampa, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

WEDNESDAY, JUNE 29, 1949

(Legislative day of Thursday, June 2, 1949)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, this sacred altar at which we bow, in the midst of another day's demands, is the witness of our weakness and the contrite confession that in Thee alone is the answer to our needs. Our hearts grow faint in the dust of our foolish pride. The cries of the crowd about us but bring us to confusion without and perplexity within. Weary of our fruitless quests and futile arguments, we turn to Thee in the humility of prayer. Grant us vision and wisdom that by our decisions here we may have a part in making earth's crooked ways straight when at last social and industrial relations will lose their hard antagonisms and become the hallowed cooperation of comrades in human service. We ask it in that name that is above every name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, June 28, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT— APPROVAL OF BILL

Messages in writing from the President of the United States were commu-

nicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 28, 1949, the President had approved and signed the act (S. 55) to authorize completion of construction and development of the Eden project, Wyoming.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 834) to amend the Contract Settlement Act of 1944 so as to authorize the payment of fair compensation to persons contracting to deliver certain strategic or critical minerals or metals in cases of failure to recover reasonable costs, and for other purposes.

The message also announced that the House had agreed to the following resolution:

House Resolution 271

Resolved, That when this House adjourns on Friday, July 1, 1949, it will adjourn to meet in the caucus room in the New House Office Building on Tuesday, July 5, 1949, and it shall continue to meet there until otherwise ordered.

Resolved, That all rules relating to the Hall of the House shall be applicable to the caucus room.

Resolved, That the Clerk communicate these resolutions to the President of the United States and to the Senate of the United States.

RESIGNATION OF SENATOR WAGNER, OF NEW YORK

The VICE PRESIDENT. The Chair lays before the Senate a communication from the senior Senator from New York [Mr. WAGNER] which the clerk will read. The legislative clerk read as follows:

UNITED STATES SENATE,
Washington, D. C., June 28, 1949.
Hon. THOMAS J. CURRAN,
Department of State,
Capitol, Albany 1, N. Y.

DEAR MR. SECRETARY: I regret that I find it necessary to tender my resignation as United States Senator from the State of New York, effective as of this date.

ROBERT F. WAGNER.

The VICE PRESIDENT. The letter will lie on the table.

Mr. IVES obtained the floor.

Mr. LUCAS. Mr. President, does the Senator from New York desire to address the Senate?

Mr. IVES. I wish to make a short statement regarding the resignation of my colleague, if the opportunity is afforded me.

Mr. LUCAS. Does the Senator wish to do that now, or wait for a quorum?

Mr. IVES. I would just as soon wait until a quorum is present.

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Chapman	Flanders
Anderson	Chavez	Frear
Baldwin	Connally	Fulbright
Brewster	Cordon	George
Bricker	Donnell	Gillette
Bridges	Douglas	Graham
Butler	Downey	Green
Byrd	Eastland	Gurney
Cain	Ferguson	Hayden

Hendrickson	McCarthy	Smith, Maine
Hill	McClellan	Sparkman
Hoey	McFarland	Stennis
Holland	McGrath	Taft
Humphrey	McKellar	Thomas, Okla.
Hunt	Martin	Thomas, Utah
Ives	Maybank	Thye
Jenner	Miller	Tobey
Johnson, Colo.	Mundt	Tydings
Johnson, Tex.	Murray	Vandenberg
Johnston, S. C.	Neely	Watkins
Kefauver	O'Connor	Wherry
Kem	O'Mahoney	Wiley
Kerr	Pepper	Williams
Kilgore	Reed	Withers
Langer	Robertson	Young
Lodge	Saltonstall	
Lucas	Schoeppel	

Mr. LUCAS. I announce that the Senator from Louisiana [Mr. ELLENDER] is absent by leave of the Senate on official business, having been appointed an adviser to the delegation of the United States of America to the Second World Health Organization Assembly meeting at Rome, Italy.

The Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Nevada [Mr. MCCARRAN], the Senator from Pennsylvania [Mr. MYERS], the Senator from Georgia [Mr. RUSSELL], and the Senator from Idaho [Mr. TAYLOR] are detained on official business in meetings of committees of the Senate.

The Senator from Connecticut [Mr. McMAHON] is absent on official business, presiding at a meeting of the Joint Committee on Atomic Energy in connection with an investigation of the affairs of the Atomic Energy Commission.

Mr. SALTONSTALL. I announce that the Senator from Montana [Mr. ECTON] is absent on official business.

The Senator from New Jersey [Mr. SMITH] is absent because of illness.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from Colorado [Mr. MILLIKIN], and the Senator from California [Mr. KNOWLAND] are in attendance at a meeting of the Joint Committee on Atomic Energy.

The Senator from Indiana [Mr. CAPEHART] and the Senator from Nevada [Mr. MALONE] are detained on official business.

By order of the Senate, the following announcement is made:

The members of the Joint Committee on Atomic Energy are in attendance at a meeting of the said committee in connection with an investigation of the affairs of the Atomic Energy Commission.

The VICE PRESIDENT. A quorum is present.

Mr. IVES. Mr. President, I noted with a great deal of regret the communication the Senate has received indicating the resignation of my very distinguished colleague from New York, Senator ROBERT F. WAGNER. I rise at this time to speak very briefly in tribute to the record of a very great American, the former senior Senator from New York. I have not always agreed with my colleague in all his ideas, but on some matters he and I have seen eye to eye—in his desire to help improve the lot of the ordinary man, the rank and file of people, to make this a better country in which to live. In those things always in principle I have agreed with him, and to a considerable extent I have found little fault with the methods he may have desired to employ.